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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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WHEAT'S ADVANCE CREATES BETTER SPIRIT IN WEST

Those With Grain on Hand Will Feel Immediate Benefit

TEMPERED OPTIMISM

The Western Determination is Again in Evidence With Approach of Spring—Outlook Encouraging

The improvement of the market for wheat and other farm products is having the anticipated effect on business conditions in Western Canada, although no important material change can be looked for until another crop is actually available. However, the gradual boost in wheat prices has had its inevitable effect of creating a feeling of greater hope and confidence. Farmers who did not sell with the first rush to market following the harvest, are congratulating themselves; they are beginning to see a possible profit in the apparently profitless harvest of 1921.

For the time of year, grain stocks throughout the three prairie provinces are estimated to be heavy. Last year at this time, about twenty millions of bushels of wheat of the top grades, were estimated to be in the possession of the farmers. This year the amount being held is conceded to be in excess of the amount referred to by a considerable margin.

In spite of this, A. E. Wilson, Dominion Seed Commissioner for the prairie provinces, estimates that some difficulty may be experienced in filling seed wheat orders. Because of the crop damage late in 1921, there was not any great quantity of high class seed wheat available from last year's crop and though the federal department bought largely at the commencement of 1921, both as to wheat and oats, it is unlikely that reserves so created, will be sufficient to supply the demand.

A Règina report says that a survey of the situation in Saskatchewan reveals farmers in greater need of finance than at the opening of any cropping season in years and immense sums of money will be required to ensure production. This is the contention of the farmers themselves and of farming organizations.

Optimism in Winnipeg

"It is impossible now for anyone to overlook the many signs of returning prosperity; these are reflected in Western Canada in the increased price of wheat and the consequent favorable reaction upon credits, although actual returns are not yet greatly affected," declares the Winnipeg Tribune, echoing business sentiment in this part of the country.

There can be no denying that the Canadian West has been measurably cheered by the upturn in wheat. "The rising wheat prices mean an additional $45,000,000 on the crop, which will certainly help in relieving business," is the view of the Saskatoon Star. With the favorable reaction as affecting this most vital element, the Winnipeg Tribune is disposed to look for a continuance of the economic improvement of the West, but hastens to emphasize that "it is not to be expected that times can be what is called good all at once," though "so far as human interest and enjoyment go, times are good when they are getting better."

This newspaper analysis of the present Western situation, has become distinctly interesting. The Regina Leader is inclined to regard the characteristic "stiff upper lip" optimism in the face of immediate adversity, of the West as the keynote of the recovery. Says the Leader: "A business man just returned from the East states that a great deal more pessimism exists there than is present in the West. The occasion for this pessimism in the East is the economic situation in the West and the principal cause of it is misinformation or lack of information in regard to actual conditions in this part of the country. A better understanding of the assets of the prairie provinces would save much heart-burning in the East; and of all those assets none is worth more than the ingrained and unconquerable optimism and determination of the people settled in these provinces."

Western Determination

The agricultural settlers who remain in Western Canada today are made of the sterner stuff, so that when the spring comes again and the fields turn green, as the Hon. Mr. Dunning said in his recent budget speech, in the Saskatchewan legislature, they will turn to again with the same determination to see the thing through, confident that the peak of their difficulties has been now possed.

In trade circles in Eastern Canada there is also noted a better tone with the improvement in the markets for farm produce. However, just at this season weather conditions are an important factor in the demand for goods on retailers' shelves—there is a great deal of difference in the buying of many lines on a bright spring-like day, and one that indicates a reaction to winter. With good weather goods are expected to move in fair volume as compared with last year, but the extent to which improvement may be expected is difficult to judge, following the years of war conditions.

BETTER EXPORT FOR MILLING COMPANIES

For Nine Months of Fiscal Year Over 5,000,000 Barrels Sent Out

From Our Own Correspondent

MONTREAL.—A better feeling is growing among shareholders of the milling companies, and the securities have become firmer and several marked advances have been registered. This is due mainly to an improvement in the current demand for flour. The latest figures available from the Department of Trade and Commerce shows exports for the nine months ending December 31, 1921, at 5,130,900 barrels, compared with 3,869,931 for the corresponding period in 1921. The previous year, however, the exports exceeded 8,000,000 barrels. Owing to the drop in the price of flour, however, the value of the exports for the nine months of 1921 amounted to only $39,000,000 compared with $46,000,000 for the corresponding period of 1920. For the month of December itself the exports amounted to 747,000 barrels as against 607,000 in December of 1920. The United Kingdom continues to be Canada's best customer with 3,387,000 barrels for the nine months against 1,532,000 in the previous year. For the month of December alone Great Britain took 477,000 barrels against 256,000 in December of the previous year.

Schwab Sees Prosperity Returning to America

Charles M. Schwab, President of the Bethlehem Steel Co., declared last week that America had come through the worst steel depression experienced in his forty-one years in the business. He predicted an early return of prosperity equal to that of normal times. He felt more or less certain that very soon the United States would regain and enlarge its foreign commerce and restore the trade balance they had lost.

PUBLIC OWNERSHIP UNDERMINING OUR CREDIT IN STATES

Railroad Operation and Government Ventures Feared

WEIGHTY EDITORIAL

Opinion of Wall Street Journal is Regarded as Reflection of Bankers' Opinion Regarding Borrowing

From Our Own Correspondent

NEW YORK.—Canada is warned not to come to New York for money, so long as the Dominion Government is engaged in promoting extravagant projects or unsound finance, in a leading editorial published by the Wall Street Journal. While the editorial is headed, "A Friendly Warning to Canada," the writer minces no words in expressing the newspaper's disapproval of the continuance of public ownership of Government railways. Government ownership of railways will cost the Canadian people at least $10,000,000 in 1922 the editorial points out. The Canadian Pacific a privately owned road is nevertheless being run at a profit. The Government-owned Canadian railroads should be privately operated. As they stand at present, in the opinion of the Wall Street Journal, they constitute a serious obstacle to Canada's borrowing credit.

Coming as it does on top of the report that Canada contemplates making a loan in this market, this editorial is obviously Wall Street's reaction to the report. That it expresses the opinion of most of the influential investment bankers interested in Canada no one who has been in a position to learn their opinion during the past few months can for a moment doubt. Privately, the Canadian railway problem and its investment, has been much discussed here but this editorial of the Wall Street Journal's is the first time that the matter has found its way into print. True, as stated in these columns last week, the

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American Wheat Crop In Very Low Condition

Crop reports from the winter wheat belt in the United States continue unfavorable and are a factor in the present and prospective market for Canada's grain. A report to J. G. Beaty & Co. says that the present prospects in the Southwestern grain states generally indicates about a 50 per cent. crop as compared with last year.

Who Got The Russian Millions

Colonel H. J. Mackie says Russia spent $800,000,000 on war supplies in Canada and the United States.

Will the Colonel be a little more specific and tell his audiences and his press agents how much of this Canadian producers got? Putting the most generous estimate on Canadian official figures, we can trace only a very paltry amount, some $12,657,000 and on the accuracy of his statistics our Minister of Trade, Sir George Foster, always prided himself.

But this is not the worst of it. As we understand the situation, all this big sum was British money; money borrowed by Russia from Britain; money that Russia now refuses to pay back to Britain. And worst of all, some of this is money that had been originally flowing from British investors to Canadian developments. The group of financiers who were induced to establish the British-Russian Bank, had for several years placed all their surplus funds in Canada.

On the strength of this $800,000,000 of British money which Colonel Mackie's friends, Lenine and Trotsky, now refuse to pay back and of which Canada got but $12,657,000, the gallant Colonel asks the Canadians one and all to extend the hand of good-fellowship to this murderous pair of robbers, and aid them to continue in power on their assurance that in recognition of this aid big Russian orders will come to Canada. This is the same old story that Canada has been hearing ever since these German agents were put in control of Russia.

And the extraordinary fact is that the Prime Minister of Canada has fallen into the trap, and the unusually astute Tory leader, Mr. Meighen, and the ever-cautious Farmer, Crerar.

At its best Russia was always a very poor customer for the British goods and as a grain-producer she is Canada's chief competitor. She bought less than a half of 1 per cent. of Canadian products exported before the war, and less than 3 1-3 per cent. of British goods. With her reserves gone; nearly all her great business leaders murdered; with her money, her government, her business and her transport systems hopelessly disorganized and no improvement in sight, each of our readers interested in foreign trade can readily estimate for himself how many years must elapse before Russian trade is worth considering—worth the time our public men are giving to it, worth the space some newspapers accord it.

By all means let us aid to the limit the starving Russians—starving because of the iniquities and incapacities of the men we are to-day asked to recognize, but don't let charity be the basis of our rehabilitation of these scoundrels.

It is this persistent foreign propaganda now being worked in the name of charity that is spreading discontent among the workers in Canada and the United States. The head centre in these charity movements, and there are scores of them, is the prime mover in the effort to prevent Canadian and United States workers going to work and getting back to normal. It is hard to get the great, honest business man to appreciate the crookedness and the extent of this movement. THE POST was continually criticized during the war for making statements that were so contrary to pre-conceived ideas as to appear absurd. Later developments showed that THE POST'S sources of information were absolutely reliable and nothing THE POST has ever published was truer than the statement that there is an insidious plausible agitation going on among various classes in Canada particularly in the Trade Unions and among young men and women in Canadian schools and colleges.

No Water to Operate Chippawa

A PROMINENT American electrical engineer who writes the editor of THE FINANCIAL POST that he has "been very much interested in your splendid articles relative to the cost of power to be expected from the new Chippawa-Queenston development" which he has personally studied, submits the following question for consideration:

> Do you think that your readers yet fully understand that for each two horsepower developed at Chippawa, about one horsepower must be subtracted from the output of already operating stations; that is to say, if the output at Chippawa is 100,000 horsepower, either the Ontario Power plant or the Electrical Development Company plant, or both together, must drop off some 50,000 horsepower, with little reduction in operating expenses and certainly without reduction in fixed charges. That would, of course, introduce another and perhaps not generally understood factor into computations of cost of power from Chippawa. **Net increase of** power on the system, not merely the output taken from any one plant, is the interesting factor.
>
> The recent report of United States Government Engineers on Niagara diversions lists total diversions in Canada as "at least" 35,425 cubic feet per second, which is practically the 36,000 cubic feet per second limit to which Canada is entitled under the treaty.
>
> Do you suppose the Commission intends to divert additional water to Chippawa in violation of the existing treaty?

This is one of the most important problems in connection with Chippawa. As THE FINANCIAL POST has previously emphasized, Sir Adam Beck, with his usual optimistic disregard of the future has plunged the province into the expenditure of millions on a power project with utter disregard to the eventual cost of power and evidently without even arranging a supply of water to operate it.

On the strength of the above statement THE FINANCIAL POST would again point out that to operate Chippawa will mean the closing down of efficient developments which are producing power for a fraction of what all figures indicate that Chippawa must cost either to power consumers or to the tax payers.

This is only another phase of the Chippawa undertaking which should receive attention in a thorough inquiry—an inquiry which has been shown to be imperatively necessary by the revelations of flagrant disregard of expert engineering advice and the appalling discrepancies between estimates and expenditures which have culminated in the resignation of Lt.-Col., the Hon. D. Carmichael.

Steamships Shareholders Talking of "Restitution"

Among the numerous—we almost said "numberless"— subsidiary concerns that appear to be active as salesmen to Canada Steamship Lines, we are informed is "The International Machinery and Supply Co."

This is said to be a "go-between" in sales of equipment to Canada Steamship Lines.

....

It is said that Mr. Norcross is one of the shareholders of this Company; that, in fact, it is only he and associates under still another alibi; that the DEADLY PARALLEL exists here as in the "Bishop Navigation Co."

We believe the shareholders of Canada Steamship Lines would be interested in any explanations Mr. Norcross can offer as to the connections of this Company.

Have any profits been picked up here, as in the case of the Montreal Transportation Co., for instance, or the Iver Health, or in various other cases with which he is familiar?

THE PASSING of the preferred dividend at the week-end by the directors of Canada Steamship Lines was a smashing blow at any shred of confidence in the management that may have still existed.

There was a little joker in the official announcement that this step was taken to conserve the "working capital" of the company, but it is rather difficult to conserve or preserve that which does not exist.

The dissipation of the ample reserves of "working capital" that should have existed as security behind the preferred dividend of this company constitutes a disgrace for the management in itself, but when behind this is the conviction that large sums that should have remained in the treasury of the company were squandered in transactions in which members of the directorate and the management made personal profit, the situation stands little short of a scandal.

May Be Strong Demand for Restitution

There is one word that has been sweeping over the face of the investment world this week: one that fortunately is seldom heard even when shareholders are forced to accept heavy personal losses through a depreciation in dividends or in the market value of securities and the assets behind them, and that word is RESTITUTION. It might be well for those members of the directorate and management of Canada Steamship Lines who may be accountable for losses to the company where the element of personal gain figured, to look this word carefully in the face. It may turn out to be the final demand of outraged shareholders.

Where Are the Missing Millions?

Where are those MILLIONS of surplus earnings that danced gleefully up and down the surface of the profit and loss accounts in the past five or six years?

Where are the EIGHT MILLIONS that were set aside since 1916, clear of all charges whatever, and that ordinarily should have provided a barricade of reserves behind which the preferred dividends might fairly have defied the heaviest slump in earnings: instead of surrendering ignominously to the call of a paltry $218,750 required for the current quarter?

Should Have Been Plenty of Money

The passing of the preferred dividend of Canada Steamship Lines stands without a parallel among other securities listed on the Canadian exchanges. The passing of no common dividend even—infinitely less an obligation to shareholders—stands on a similar plane. And behind it all lurks the ugly suspicion in the public mind that had directors and management not sought to feather their own nests by grabbing off profits on the way, the working capital of Canada Steamship Lines would have been ample to guarantee the maintenance of that preferred dividend ad infinitum.

Let us examine the statements of earnings of the company year by year, tracing up those millions.

From 1916 to 1920, after meeting all charges, interest, depreciation, taxes, etc., there remained out of earnings as available for preferred dividends the sum of $15,670,680, and the year 1921 should bring this total far beyond $16,500,000.

During these five years there were paid in preferred dividends the sum of $5,760,417.

This left a balance of $9,910,263, with the only charge against this one for common dividends.

In 1919 this called for $480,000 at 4 per cent., and in 1920—on a reckless increase to 7 per cent.—$840,000 was paid out, at total of $1,320,000.

This still left as an accrued surplus behind the preferred dividends a total of $8,590,263.

And yet for a paltry $218,000 the preferred dividend has been passed. What a SURPLUS and what a DRAINAGE was there!

The Accumulating Surplus

Surplus, end of 1915	$ 20,883
Surplus, end of 1916	1,848,225
Surplus, end of 1917	2,374,754
Surplus, end of 1918	5,009,630
Surplus, end of 1919	6,764,910
Surplus, end of 1920	8,611,147
Surplus, end of 1921	Not yet announced

And the Dividends Paid

Paid as preferred dividends, 1916	$ 656,250
Paid as preferred dividends, 1917	2,479,167
Paid as preferred dividends, 1918	875,000
Paid as preferred dividends, 1919	875,000

(Continued on page 4)

THE FARMERS ARE TOO STRONG NOW FOR RECIPROCITY

Still Have Conviction That Protection Is A Benefit

THE LARGER VIEW

President Harding and Far-Sighted Advisers Want Closer Trade Relations With Canada

From Our Own Correspondent

NEW YORK.—To those who have been following the course of political events in the United States during the past six months, the small amount of encouragement given the Dominion Minister of Finance, on his reciprocity junket to Washington came as no surprise. The farmer is still the dominant factor in Washington. While some students of American politics claim that since the enactment of the Emergency Tariff he has become disillusioned in regard to the possible beneficial effects of this piece of class legislation, it is doubtful whether this awakening has been at all general in the agricultural sections. To all intents and purposes, the farmers' organizations are still demanding even a higher degree of protection for American farm products. It seems hardly likely that they will change their attitude toward the tariff problem in the immediate future. The Emergency Tariff being aimed at Canada, is it reasonable to expect that the men who forced this measure through Congress will countenance a resurrection of the Reciprocity Pact of 1911?

The Economic "Handwriting"

True, President Harding and his more far sighted advisers, privately, probably favor closer trade relations with the Dominion. And in this they unquestionably have the support of the business men of the country. For while the farmer of the United States may be economically illiterate, the president and his economic advisers plainly see the writing on the wall. Like the business men of the country they have learned as a result of the experience of the past twelve months that the United States cannot hope to continue to sell where it does not buy. The drop in Canadian-American trade statistics has not passed unnoticed. The private attitude of the Administration and the public attitude of the business interests of the country have repeatedly found expression lately in the columns of two such influential financial and commercial papers as the New York Times and the Wall Street Journal. Sunday, the Times editorially placed itself on the side of those who favor continental free trade, so far as the United States and Canada are concerned. It expressed the hope that like-minded persons on both sides of the international border should get together on this issue. The Times apparently believes that the only obstacles are political.

Obstacles are Political

And it would seem that at present the main obstacles to the consummation of any reciprocal trade agreement with Canada so far as agricultural products are concerned are mainly political. In spite of the Emergency Tariff, Canadian agricultural products are continuing to reach the American consumer. Farm product prices have, it is true, risen during the past few weeks. But this has been rather due to the cessation of dumping his products on the market at any price, than to the elimination of Canadian competition. The immense loans made to farmers by the War Finance Corporation have done more to bring about higher prices for farm products than the Emergency Tariff.

But it will take time for the farmer to learn. The Wall Street Journal is authority for the statment that there is evidence that the American farmer is beginning to realize the importance of foreign markets and to study the conditions which make the prices of farm products. But even this newspaper apparently believes the process of education will be a slow one.

Until the attitude of the American farmer toward Canadian competition changes, as a result of his appreciation of the fact that the prices of most farm products are not made in the United States, he no doubt through his representatives in Congress will continue to demand high tariff protection.

Harding's Dilemma

And it is difficult to see what the Administration can do about it. Even though the President may favor closer trade relations with Canada, his Ad-

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GRAIN GROWERS LOSE HEAVILY ON IMPLEMENTS

Losses Approaching $400,000 in the Past Three Years

POOR MANAGEMENT

Realized That Costs Should Have Been Marked up as Market Advanced to Provide for Decline

Whatever the complaints of the farmers in Western Canada about the prices charged for their agricultural implements, the experience of the United Grain Growers, Ltd., would not seem to indicate that there is much profiteering on the part of the implement houses. As a matter of cold fact the statement of profit and loss for the year ending August 31, shows that there was a net loss last year of $282,302, a loss in the previous year of $52,069 and the year before that a loss of $59,426. And these losses totalling nearly $394,000 in three years resulted from a turnover in business totalling about $18,500,000. Following is a summary of the business as presented to the shareholders of the United Grain Growers, by the general manager C. Rice-Jones.

FARM MACHINERY AND SUPPLIES
Comparative Turnover and Results

Grand Total Sales	$6,180,359	$6,908,896	$4,676,918
Gross Revenue	$718,006	$781,350	$428,961
Less Discount and commission allowed.	38,688	96,030	116,109
Net Revenue .	$679,318	$685,319	$312,852
Operating Expenses.. .	$68,168	$649,817	$514,802
Constant Expenses	70,575	87,570	80,352
Total Expenses	$738,744	$737,388	$595,155
Net Profit or Loss .	($59,426) Loss	($52,069) Loss	($282,302) Loss

It will be noted that there is a considerable falling off in business indicated, from nearly $7,000,000 to something over $4,500,000. However, this would not alone account for the big losses last year; heavy depreciation on stocks had to be faced. It is explained to the shareholders that as the prices depreciated from time to time during the year the losses were merely absorbed in the turnover, no special write-down in the inventory being made during the year. Reductions in prices occurred at irregular intervals and on different commodities at different times so there is no means of knowing exactly how much of the loss was due to depreciation in value of stock. Further a policy of cutting prices on farm machinery was followed in an effort to bring down prices. Estimating an average loss of 10 per cent. on the stock on hand at the beginning of the year this depreciation alone should have amounted to $158,000.

Should Have Marked Prices Up

It was admitted by the management that the company's losses are due in part to the fact that they did not take what is now acknowledged to be the proper course in marking up prices during the period of rapid increase during the war. All stocks, it is admitted, should have been marked up as the prices went up irrespective of what the goods cost and the profits taken and set aside to care for these losses when the prices come down.

Dealing with the suggestion that the company either purchase or secure the controlling interest in a machinery manufacturing plant, the report says that after a study of the situation which exists in the manufacturing of machinery in the United States and Canada over a period of between two or three years it would be regarded as a mistake for the company to consider putting any money into such an enterprise.

Refuses to Buy

At the same time it is emphasised that the company has refused to give orders for replacements at prices which the manufacturers are asking. It is regarded as a better policy to take losses through not having goods to fill orders rather than to pay prices which "are altogether out of line with the price of farm produce." This policy means that in the near future orders for certain lines of machinery cannot be filled and unless conditions change materially in the course of the next year or so stocks of tillage tools and some other lines which have been purchased in the past will be exhausted. In concluding this chapter of his report general manager C. Rice-Jones says that the prospects are that the results on farm machinery and supplies cannot be expected to be materially if any better in the current year than in the last.

The profit and loss account for all departments shows earnings of $233,743 compared with $459,281 in the previous year. Dividends, grants, reserves for contingencies, etc., took $233,894, which is slightly more than the net profits, but in addition provision had to be made for government taxes estimated at $14,887 which further reduced the balance of $108,125.

EQUAL TAX RATES IN PROVINCES URGED

C.M.A. Promoting Conference Between Provinces to Obtain Uniformity

The Canadian Manufacturers Association has expressed approval of the recent decision of the privy council, in that Dominion companies will not be required to take out a license, before they can operate in a province, but will simply be required to register.

The view held by the C. M. A., in dealing with the question of interprovincial taxation, was that a solution was not to be found in going through the courts. Such a means may be desirable with respect to all constitutional questions, but the right of taxation by individual provinces, is a matter of mutual arrangement, to secure a uniformity of method.

With this end in view the association is promoting a round table conference of the attorney-generals of the provinces, to be held in the early summer. Already many of the provinces have expressed their approval of the conference and have signified their intention of taking part.

LUMBER SALESMAN WILL GO TO JAPAN

British Columbia Manufacturers Recognize Value of Eastern Market

From Our Own Correspondent

VANCOUVER.—The value of the Japanese lumber market is being fully recognized, and British Columbia lumbermen plan to send a man to Japan this summer to seek new orders. Exports to China and Japan last year more than quadrupled the total for 1920, according to complete figures recently given out by the Department of Lands in Victoria.

During the past three years the province's export business to all countries has almost doubled. The most notable feature of the year's trade was the growth of the Oriental markets. Last year China purchased 41,944,011 feet as compared with 14,911,232 feet in 1920, and Japan took 52,447,160 feet, as compared with 5,990,266 feet in 1920, a gain of about 1,000 per cent.

EXHIBITION BOAT IS SUGGESTED

Would Carry Exhibit of Canadian Products to Ports of the World

From Our Own Correspondent

HALIFAX.—The suggestion that the Canadian government fit out one of its idle steamers as a floating exhibition of Canadian products and send it on a tour of the world has created some interest here in exporting circles. The British exhibition ship which is to be built by Swan, Hunter and Wingham-Richardson at Wallsend-on-Tyne, will not be launched until 1923, and it is pointed out that if Canada took the lead her venture would secure a lot of free advertising because of its novelty. In France there are also proposals for the creation of a floating exhibition.

The fact that Canadian manufacturers are making plans to have exhibits of their products carried on a special train through France indicates a strong belief in the value of this kind of advertising, and if a ship was requisitioned for exhibition purposes these exhibits could be taken to other countries, and after being shown in the principal ports, loaded on trains and sent to inland cities, if deemed advisable.

The Government by renting space to manufacturers in an exhibition ship might not make a profit on the venture, but the revenue might very well meet the actual expenses of maintenance. And unless there is an improvement in our foreign trade the government will continue to have a number of idle ships on its hands, and it costs a good deal of money to maintain a ship in idleness.

In Great Britain the government is being asked to construct one or two ships of extreme proportions and use them as floating exhibitions, taking samples of British manufactures around the globe.

It is argued that the revenue from renting space in such ships would go a long way to meet the first cost, while they would materially assist to give a much needed impetus to foreign trade. The suggestion is that these ships should be larger than any now afloat, thus being in themselves as impressive an exhibition of the Empire's ingenuity and resource as a super Hood.

The British exhibition ship already arranged for will not visit the United States or Canada, though the voyage which has been planned for her will occupy 542 days.

APPRENTICESHIP SYSTEM GIVES GOOD RESULTS

Algoma Steel Corporation Has Trained Skilled Staff of Workmen

FOUR YEAR COURSE

Apprentices Paid During Entire Course—Two-thirds Have Remained With Company After Graduation

One of the many problems that the large labor employer has to meet today, is the maintenance of a steady supply of skilled workmen. Not only men who know their work, but who also understand the policy and aims of the company. It was to meet this problem and on account of being so far from the large industrial centres from which mechanics and skilled workmen are drawn, that the Algoma Steel Corporation instituted a shops apprenticeship system, in the early days of the company. As a result of this system it has built up a staff of skilled workmen, some of whom now occupy very responsible positions in their different departments. Two-thirds of their boys who have received training, have remained with the firm, which builds up an enviable relation between the employer and their workmen.

The shops apprenticeship system was started to train men for three trades, machinists, moulders and patternmakers. All these trades demand a high degree of skill to be of any use to the firm. One apprentice is alloted to every five skilled men, under the direction of the shop foreman, who is responsible for their transfer from one class of work to another and who reports regularly to the superintendent on their progress and conduct.

Some Education Necessary

The age limit is from 18 to 20 years of age, and apprentices are selected in the order that applications are received in. Educational requirements call for at least high school entrance qualifications, although this rule is not strictly enforced. The term of service covers a period of four years. During the first period of this time they are paid one-third of the rate for skilled workmen, with increases every six months until the completion of the course, after which they receive the minimum wage paid to experienced workmen then in force.

The machinist apprentice is given instruction in the use of tools and in the care and operation of the various machines in the shop. In the foundry work the first six months to a year is spent in core making and learning its relation to moulding. As the apprentice advances to the heavier and more intricate work, he is placed under the supervision of one of the most experienced moulders and in this way gains a thorough knowledge of foundry work.

Owing to the close relation between pattern and foundry work the company recommends that the apprentice spend the first six months in the foundry, where he gets an insight into core making and moulding. The remainder of the term is served in the pattern shop. In this way he is able to grasp the practical difficulties experienced in this work.

Must Attend School

For one half day each week the apprentice is sent to the company's high school for instruction in mathematics, freehand and mechanical drawing. This work is compulsory and the apprentice is paid the same wages as if he had been employed in the shop. The principal of course reports the attendance and progress made by each apprentice. It is in this school that the men can be brought in contact with the larger problems of industrial life and a better feeling between capital and labor is promoted.

VALUE OF THE RUBLE

Soviet Money Declines 45% Since Last September

Foreign trade commissary of Soviet Russia on January first established the value of foreign moneys in Soviet rubles as follows: German mark 1,100, pound sterling 760,000, dollar 180,000, and also fixed the value of the Czarist gold ruble at 100,000 Soviet rubles. This is a fall of 45% in the Soviet ruble from the values fixed at the end of last September. Of late there has been a decided rise in the value of authentic Czarist paper money, i. e., Czarist money not issued by either the Kerensky or Soviet governments who both printed money from imperial plates, and a Czarist paper ruble is now quoted at half a mark, or 550 Soviet rubles. The headquarters for the exchange in Russian money outside of Russia is Zurich, Switzerland, where a very large business, is done under conditions which much resemble the Curb market which used to be held in Broad Street, New York City.

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In Queensland	19
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In Western Australia	20
In Tasmania	3
And in NEW ZEALAND ..	46

Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued—available throughout the world. Cable transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

The Molsons Bank

Incorporated 1855

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128 Branches in Canada

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EDWARD C. PRATT
General Manager

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DEPRESSION DUE TO INTERFERENCE BY GOVERNMENTS

Public Ownership Theories Having Their Effect in Canada

HEAVY TAXES RESULT

Effect is to Strangle Business and Handicap Industry—Initiative of Individual Being Discouraged

That the tendency to experimental legislation and to business speculations with public funds under the attractive and popular name of public ownership, is the inevitable result of the fact that we have a comparatively small population scattered over an enormous country and are enormously overgoverned was emphasised by H. S. Osler, K.C., at the annual meeting of the shareholders of the Canadian Mortgage Investment Company. Mr. Osler declared that the Dominion parliament, nine provincial legislatures, innumerable municipal bodies and school boards, employing in the aggregate a number of officials for purposes of their various activities which, allied together form no inconsiderable percentage of the total population, was an important factor in the heavy tax burdens which business must share in Canada and which do not represent by any means a mere matter of necessary provisions for war indebtedness.

Referring in particular to the affairs of the Canadian Mortgage Investment Company he stated that the immediate result of these conditions was that the company must pay to the Dominion Government 10 per cent. of its entire income in addition to heavy taxation imposed by every province in which it does business. Further the taxation upon the property which forms the security of the company's mortgages is a matter of even greater importance. In the Western provinces taxation for many purposes has been placed ahead of mortgage security and drastic and summary tax sales and forfeiture provisions are a constant source of danger and anxiety to mortgage lenders, greatly increasing the risk of forfeiture of the security by insufficiency of notice and undue limitation of the time in which redemption can be effected. The result has been that it has been impossible for the company to judge, except in unusual cases, to what extent farm loans in the Western provinces may now be regarded as a certain or available security for anything beyond the taxes with which they may be charged. Hope is emphasised by Mr. Osler that these difficulties will tend to bring their own cure when legislatures find out that onerous conditions and excessive taxation have had the inevitable result of driving capital into other channels of investment.

This matter of taxation was also touched upon by Joseph Henderson, who pointed out that in their effect upon rents, wages, employment, housing and living conditions no class of a community can escape the results of oppressive taxes. He quoted Otto Kahn's careful argument urging the need of tax revision and tax reduction as indispensable to the return of business stability and prosperity. Mr. Kahn expressed the conviction that good times and abundent employment cannot return as long as enterprise is lamed and a natural flow of capital deflected by oppressive and exorbitant taxation.

Mr. Henderson also referred to the opinion of leading bankers of London that the burden of taxation can only be lightened if the necessity of public economy is reasonably faced. On judgment of these British bankers the burden was more than the commercial community could bear, more than the capacity of the nation could afford and more than, were proper economies effected, the nation need be asked to sustain. Judge Gary, chairman of the United States Corporation, was also quoted as saying that underlying economic conditions was the high cost to the holder or earner of money or property. It was so high that the incentive to initiate, extend, develop or operate was not only discouraged but was nearly or entirely destroyed in many cases. The people were being brought to realize what was meant by the expression "taxed to death." Industry and individuals were staggering under the burden.

SAVE THE BOTTLES

The fluctuating rates of exchange in Europe bring about some humorous as well as remarkable transactions.

Recently an Englishman on his way from Germany to Switzerland purchased a bottle of wine for 500 crowns in the Austrian Tyrol After drinking the wine he kept the bottle, and when he passed the Swiss frontier sold it for 50 centimes. A Swiss 50 centime piece is worth 700 Austrian crowns, so that the Englishman not only had his wine without cost, but gained 200 crowns.

INTERNATIONAL PAPER

Large Deficit Incurred, Canadian Mills Free From Strikes

The International Paper Company is now producing approximately 1,100 tons of paper daily, of all grades. When the new mills at Three Rivers, Quebec, go into operation next month, the output will be somewhat increased. With the present price of paper at $70 a ton, it is almost certain that during the first quarter of 1922, the company will do well to break even. The forthcoming annual report will show that its pulp wood was written down close to $20 a cord, with a deduction for inventory write-off on this account, of more than $6,000,000. Including the inventory write-off a deficit of close to $8,000,000 was piled up in 1921.

American mills last year, particularly International Paper, were hampered to a much greater extent by strikes than Canadian mills. International paper plants were closed up tight for more than two months and when they did re-open, output was greatly restricted.

SEARCH FOR GOLD AND OIL IN WEST

Five Companies to Operate in Northern Alberta and British Columbia

From Our Own Correspondent

EDMONTON.—Activity is already beginning in the northern mining and oil drilling business. A placer gold mining company operating from this city has sent an advance crew of workmen into the upper Peace River country, to make ready for active development work during the coming summer. Some previous ventures of this kind in northern Alberta and the adjoining parts of British Columbia have not proved successful, but the indications for the present undertaking are believed to be first class. The claims are located on the Peace below Hudson's Hope.

Five drilling outfits will be at work in the Peace River and Pouce Coupe fields this summer, it is stated. The Imperial Oil Company will continue operations at its well, at which an enormous flow of gas was struck last fall. The Great Slave Oil and Refining Company, a Vancouver concern, will divert to Pouce Coupe a rig originally intended for the Fort Norman and will drill a well on a site yet to be selected.

RAILROAD OPERATION A POLITICAL MOVE

President of Delaware and Hudson Charges Interference by Government

Discussing the railroad situation and its effect upon the prosperity of the country, L. F. Loree, president of the Delaware and Hudson Railroad, declares that the restoration of the whole economic system depends on "the cessation of paralyzing state interference in the whole domain of business and industry."

Mr. Loree went at length into the Government operation of railroads during the war, and afterward, sparing no one and condemning the Railroad Administration frequently, he said, for instance:

"The most severe blow the railroads have sustained was their taking over by the Government. . . . The taking over of the roads was not a military necessity of the Government, but a political maneuver of the Administration. . . . It is difficult to follow the policy of the Director-General in his management of the properties."

Mr. Loree differentiated, too, between the war period and the period after the war during which the Government kept control of the railroads. He found little or no excuse for the continued control or for the acts performed by the Administration in the exercise of that control, he said, too, as to the present situation:

"So small is the margin of financial safety and so meager the resources of the railroads that reductions in rates can only safely be made when preceded by reductions in costs. The important thing will be our ability to accomplish both without disaster.

"The great statutes that were to be the safeguards of our interests, the stimulus to our advancement, the support of our growth, are gigantic shams at war with the fundamental concepts of our organic structure of government, and destructive of our tenets of rights in property and ordered liberty.

"For many years the condition has been known, numberless times it has been pointed out and made clear; always, when dealt with, it has been resolved upon grounds of political expediency and subserved to promote personal political fortresses.

"The remedies for the railroad situation lie, to my mind:

"1—In the repeal of the Adamson law.

"2—In the abolition of the Labor Board and the absorption of so much of its work as it is deemed wise to preserve, by the Interstate Commerce Commission.

"3—In the entire recasting of the transportation act, stripping it of its socialistic features and dividing the duties of the Interstate Commerce Commission to separate the administrative from the judicial.

"4—The readjustment of wages and rates, sympathetically and yet as rapidly as conditions permit."

LIVING COSTS IN UNITED STATES CONTINUE DOWN

In Some Centres Only 15 Per Cent. Above Pre-war Level

HOUSING MORE COSTLY

The Only Important Item in the List Which Has Not Been Materially Reduced During Year

WASHINGTON, D.C.—The general level of living costs is 13 per cent. below what it was a year ago, reports of the Department of Labor show.

Keeping one's self fed, clothed and sheltered, plus proportion for a necessary amount of recreation, costs but 87 cents where it cost $1 a year ago. It is getting easier to live. Throughout every section of the United States the gradual decline of prices of almost all necessities has been going on steadily for many months. There is nothing in sight in the general economic situation to indicate that the low level has yet been reached. A continued decline is recorded month by month as the price statistics flow into the office of the labor department where the statisticians preside over and keep watch of the price index lines.

During the last twelve months the change in the price levels of the major necessities has occurred as follows:

Food	—15%
Clothing	—15%
Fuel and light	— 7%
Furniture	—23%
Housing	+ 6%

A plus instead of a minus sign before the percentage of change in the cost of housing shows that this is the only major necessity which has failed to follow the general downward trend of prices. In this connection, however, the reports of the Labor Department are admitted to be not a true reflection of the actual conditions. This is because the Department received reports on rents only on the basis of the receipts of the first or original landlords. No consideration is given to the receipts of persons who sublet to other tenants the apartments and homes which they furnished but which they now no longer occupy.

Rentals charged in subleases are known to have experienced a deep decline. But the Labor Department has no record of the subleasing system. Many persons who formerly received from $100 to $150 a month for apartments which they had sublet are not getting but half that sum in many cities.

In one or two cities rents and building prices have fallen in to the proportions that obtained before the great war, according to reports to the Federal Reserve Board. Boston is one such city. This, although not yet reflected to a great extent in the rentals received by the original landlords or owners, nevertheless indicates that soon the original, rent level will begin to decline as well as the level of rents received under subleases.

The problem of high rents is beginning to solve itself as building operations increase throughout the country, officials say.

Throughout the country the general cost of living is still 74 per cent. above the average level of 1912.

Food prices are 50 per cent. higher than in 1913, clothing 84 per sent. housing 61 per cent., fuel and light 81 per cent. and furniture, 118 per cent. The 1920 level of food prices was 105 per cent. over 1913.

The decline in prices has been far greater in the middle West than in the East. In Cincinnati living costs average but 15 per cent. above 1913. In Pittsburgh the level is 23 per cent. above the pre-war standard. In Indianapolis it is 19 per cent. higher, while in St. Louis it is but 18 per cent. above the pre-war level.

With the exception of Chicago the dollar buys far more in all of the middle Western cities than in the East. The level of living costs in Chicago is 72 per cent. above that in 1913. In New York the level is 78 per cent. above 1913.

CANADIAN-SWISS RELATIONS

It is a well known principle of economics that an increase of mutual trade exchange between two countries follows necessarily a more complete comprehension of their economic conditions. The "Mercure Swiss," an economic review published in Geneva, being convinced of this fact, has just issued a special number, for the purpose of increasing the commercial and industrial relations between Switzerland and Canada. The Canadian Department of Industry and Commerce has co-operated with the "Mercure Swiss," in supplying a large number of photographs and other material. Copies may be had, free of charge by applying to the Consulate General, 212 Drummond Street, Montreal.

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In opening the Ontario Government Savings Office, it should be realized that this bank is publicly owned and controlled, managed by trained officials directly responsible to the Government, and is, in fact, *the people's own bank.*

4% *and Government Safety*

Four per cent. interest will be paid on deposits. This high rate of bank interest is accompanied by the security resting upon the full resources of Ontario, which is Canada's richest province.

Savings branches of Ontario's Government Savings Office will be located in the principal centres of the province. Open a savings account with the Ontario Government Savings Office to-day. Make the acquaintance of the local manager and take the matter up with him.

Province of Ontario Savings Office
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Director: M. E. McKenzie
Branches now open at Aylmer, Woodstock, St. Marys and Toronto
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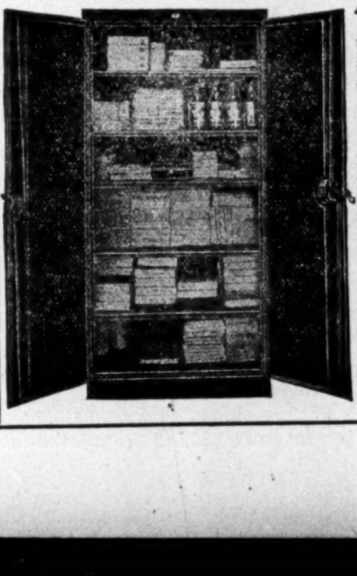

Mr. E. Ficiency says:
These was a big waste in our materials—stationery was being spoiled, books were becoming office-worn; it was hard to find supplies we had, and we bought more because we thought we were out.
Then we added to our office equipment a
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SMALL REACTIONS ON STOCK MARKET FROM LAST WEEK

Tractions, Public Utilities and Rails Strong During Week

HEALTHY MARKET

Pulp and Paper Show Weakness—Manitoba Bond Issue Goes to New York

There has been lessened activity in the bond market, but it speaks well for the solidity of present prices that the restriction in investment demand has not seriously affected prices, a little more conservative bidding for new issues being the only apparent result. Just about when the Canadian market was going to have the first provincial issue in many weeks, New York funds stiffened and the Manitoba's $2,250,000 issue went to New York. This diversion of large issues across the line will mean stronger prices here. Taking the long range view stronger prices are inevitable.

On the stock market, there has been lessened activity and most groups are consolidating the gains made last week. Altogether there has been a firm undertone to the market, particularly in tractions and utilities. The collapsing of more brokerage houses, during the week will have a hopeful influence in the long run and indicates the extent of the turbulent times through which we are passing. Many securities touched the highest point of the year, but the majority reacted from the market level of last week. Paper stocks dropped very considerably, in view of the report of International Paper Company, which was decidedly unfavorable. Reactions have been of only small extent and the market as a whole is in a very healthy condition.

Failures During Week

Four Canadian brokers offices closed their doors during the past week. The first firm to make an assignment was Bryant Isard and Co., members of Toronto Stock Exchange, on Saturday last. R. G. Dun & Co., with offices in New York and Montreal were next.

The Toronto office of the firm of E. H. Clarke & Co., with head office in New York, was advised on Saturday morning that the firm was forced to suspend business temporarily. This firm is a member of the New York Curb and members of the Standard Stock Exchange of Toronto, and are successors to the C. A. Stoneham & Co.

The firm of Howard, Graham and Company are the latest and have made an assignment to J. P. Langley yesterday. They were members of the Standard Mining Exchange of Toronto also. No statement of the affairs of the company have been given out as yet, and it is understood that this firm had no connections with outside markets.

Cheaper Mortgage Money In Sight

Arrangements are under way at the present time for the establishment of the interest rate on Sterling debentures. The change in the general money market will, it seems certain, result in a reduction in the interest paid on these Sterling debentures. Some companies have already taken steps in that direction. It seems likely that the rate will be fixed at 5 per cent.

If it is possible for the loan companies to get their sterling debentures from the Old Country renewed at this figure, and to get their new money on this basis, one of the great difficulties toward cheaper mortgage money will be solved. The movement is towards 7 per cent. mortgage money on first class properties. Some money is now being given at this rate but only on most select properties in Eastern Canada.

THE ROMANCE OF HOLLINGER

From Our Own Correspondent

MONTREAL, — At the annual meeting of Hollinger Mines on Wednesday the shareholders listened to an impressive recital of the Company's production, earnings and dividends from the President, N. A. Timmins, covering less than 10 years life.

Sale of gold $50,030,979

ILLINOIS TRACTION

The January earnings statement of the Illinois Traction Company shows gross amounting to $1,972,138 as compared with $1,982,138 for the same month in 1921, a decrease of $10,000. Net earnings, after deducting expenses and taxes, amounting to $1,333,251, amounted to $638,846, or an increase of $103,030 over last year's figures.

The improvement in the demand for newsprint from Canadian mills has extended to the Laurentide Company, including the two new machines which have a capacity of 100 tons. The Laurentide plant is now operating to 90 per cent. of capacity.

Steamships Shareholders Talking of "Restitution"

(Continued from page 1)

Paid as preferred dividends, 1920	875,000
	$5,360,417
Balance, not paid for preferred dividend	$9,910,263
Available and Distributed	
Available for preferred dividends, 1916	$2,483,592
Available for preferred dividends, 1917	3,005,696
Available for prefered dividends, 1918	3,509,876
Available for preferred dividends, 1919	3,110,280
Available for preferred dividends, 1920	3,561,236
Total for five years	$15,670,680
Paid in common dividends, 1919	$480,000
Paid in common dividends, 1920	840,000
(Note common dividend in 1919 was 4%, increased to 7% for 1920)	
Total for common dividends	$1,320,000
Balance as reserve behind preferred dividends	$8,590,263

The passing of the dividend, as has been said, is related to the lack of working capital and this in turn has been due to expenditures for vessels beyond the means of the company. The purchase of the Montreal Transportation Company has all the earmarks of an unnecessarily large expenditure for a property that in the opinion of competent shipping men falls far below in value the price paid for it. The story as we have learned it from those in whose sources of information and expert judgment we have confidence, runs along this line:

That the price at which the Montreal Transportation Company was acquired by a syndicate closely associated with Canada Steamship Lines was $2,025,000.

That the property was purchased when the manager, the late Major Bartlett McLennan was overseas, at a price of $225 per share for each of the 9,000 shares.

That at the time of the purchase there were some eight freighters that shipping men would agree were first class boats.

That six of these eight were sold out of the Company's fleet at prices reflecting the inflated values that existed at the time, and that the proceeds of the sale of these vessels practically paid for the original purchase price.

Inferior Boats Drafted into Fleet

That only a couple of first-class boats were left and that a portion of the tonnage was afterwards replaced by boats inferior to the six referred to above.

That this inferior fleet was disposed of to Canada Steamships Lines by a group comprising among others several directors of that company and associated interests, for a price of $3,000,000.

That the property which Canada Steamship Lines purchased from the president of its own company among others, was a greatly inferior property to the one acquired previously at about $1,000,000 less, and, in the main, paid for out of sales.

That the group closely associated with Canada Steamship Lines made a large profit through the sale, and unloaded on their own company a property that has depreciated in value steadily since that time, the vessels of which today are probably not worth more than one-half what they were taken in at computing the purchase price.

That of the $3,000,000 there was paid in cash, about $1,700,000, and that the balance of $1,300,000 and interest it was intended to pay off had the bond issue of last fall been successful, and this balance it is intended to wipe out from the proceeds of the bond issue that is being attempted at the present time.

Is it unfair to class this transaction, as that of the purchase of the IVER HEATH, as one in which the company lost heavily while those who should have been guarding its interests in a position of trust, profited handsomely?

And might this not be included as a prospect for RESTITUTION?

Profiteering Ventures Killed the Dividends

One year ago, when the preferred dividend of Canada Steamship Lines was threatened, shareholders engage dlawyers to force an INVESTIGATION into the Company's affairs.

That investigation—UNDER OATH—is infinitely more justified to-day when the PROOFS of mis-management have come to the surface in so startling a manner.

We believe that an investigation—under oath—would disclose repeated instances of "inside profiteering"; would prove that the system is almost SATURATED with these "go-between" concerns.

We believe that the draining of the Company's cash resources can be traced directly to transactions in which company directors or managers cleaned up big profits and shareholders lost.

That $2,040,000 cash paid for the IVER HEATH represented nearly 2½ years preferred dividends.

The $1,080,000 admitted loss on the vessel through depreciation represented 14 MONTHS' DIVIDENDS.

The $1,700,000 cash already paid on account of the Montreal Transportation Co. would have continued preferred dividends nearly TWO YEARS.

The balance of nearly $1,400,000, including interest represents preferred DIVIDENDS for OVER 19 MONTHS.

The liability of $2,500,000 assumed on the Davie Shipbuilding Co.,—to let Grant Morden and others OUT of a HOLE—and let Canada Steamship Shareholders INTO a HOLE; resulted in the Company, (that is, the shareholders) assuming an obligation to the Merchants' Bank of nearly $1,000,000, and a total obligation of $2,500,000, and was one of the immediate causes of the passing of the dividend.

The interests of Grant Morden et al. weighed with the directors one thousand times more than those of the shareholders, for whom they held a fiduciary trust.

These three incidents alone reek with self-interest and the BETRAYAL of shareholders' interests, and in themselves drained the Company of MILLIONS that should have gone to perpetuate the preferred shareholders' rights to a regular dividend.

Common dividend passed in 1921—

Preferred dividend passed in 1922—

While normal earnings held up a passenger business and upper lakes freights—

WHY?

The passing of the preferred dividend should, in justice to the shareholders, who, like him, were responsible—to their own personal profit.

And, after that, RESTITUTION!

LONDON RAILWAY'S INCREASED PROFITS

Despite Difficult Working Conditions During Year Profits Increase 8%.

The forty-seventh annual report of the London Street Railway may be regarded as satisfactory in view of the increased cost of labor and materials. The company is still required to carry its passengers at a very low rate. The gross earnings of the company amounted to $567,866, an increase of $43,137 over a year ago or 8.22 per cent. The operating expenses show an increase of 7.23 per cent. at $487,344. The net earnings from operation amounted to $80,532 and after deducting the fixed charges and depreciation, the net earnings amounted to $11,512.

Wages amounted to $351,476, an increase of $22,542 over the year 1920. The assets including road and equipment amount to $1,224,258 while current assets stand at $57,487. Liabilities which include accounts payable, insurance, and suspense accounts amount to $48,784. Interest on bonds took $7,665, the liabilities to bond holders being $489,000. The reserves for injuries and damages amount to $5,713. Total capital remains at $637,480 and the surplus at $93,102.

MOUNT ROYAL HOTEL

At a meeting of the Board of Directors of the Mount Royal Hotel Company the resignations of Senator Lorne C. Webster and M. A. Macdonald were accepted. As their successors there were elected Hon. Smeaton White and E. R. Decary, the latter the former chairman of the Administrative Commission of the City of Montreal. Excellent progress is being made on the new building.

Cost of plant	$ 4,183,256
Labor, supplies, etc.	27,420,185
Shareholders, dividends	16,558,000
In treasury, liquid assets	6,042,794

PUBLIC OWNERSHIP UNDERMINING OUR CREDIT IN STATES

(Continued from page 1)

New York Times recently, with the situation in Manitoba as a text, told of the heavy burden of taxation under which the Canadian people as a whole were staggering, but it made no reference to the Canadian railway problem. The article it printed sought rather to stress the protests of Canadian business men and business organizations were making against the imposition of new taxation for the support of new Government enterprises.

New York or London

In a very real way, however, both articles may be regarded as the expression of influential American financial opinion. Together they probably express in other words what Wall Street told the Canadian Minister of Finance on his recent visit here.

They say no more than has been said to Canadian bankers dozens of times lately. They give public expression to the dissatisfaction with Canadian financial conditions which many bankers here have felt for some time back. Both newspapers are very close to influential financial opinion. It is reasonable to feel that neither spoke entirely on its own authority.

The question, however, which is occupying the attention of the Canadian in New York, at the moment is this; how is the feeling expressed in these two articles likely to affect the fate of the new Canadian Government loan which most Canadian bankers regard as inevitable? Will Canada be driven to borrowing the money she needs to operate her railways in London? Or can the new Dominion Government so change its railroad policy that its borrowing power in this market will continue unimpaired?

While a number of Canadian bank men stationed in New York have recently told your correspondent that they did not favor the suggestion that Canada borrow in this market at once, none of those whose opinion is worth anything seem to be willing to furnish an answer to any of the above questions. A few believe the Minister of Finance can profitable play London against New York for a few weeks longer, but they hesitate to say what will be the eventual outcome of what is in effect at bottom a contest between London and New York for the forthcoming Canadian loan.

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ASBESTOS CORP. MAKES PROVISION FOR THE FUTURE

Substantial Allowances Made Against Exhaustion of Minerals

GOOD EXPORT TRADE

Business With United States Expected to Show Increase This Year—Good Showing on Common

MONTREAL.—The annual report of the Asbestos Corporation of Canada for the year 1921, proved to be far better than had been expected generally. Considering the fact that such a proportion of the Company's output must depend on the export markets of the world, which were in a disturbed state for nearly every commodity, the report must be considered an excellent one. Profits amounted to $756,672, and to the former were added income from investments of $136,414 or a total of $893,058 net income for the year. This was sufficient to provide bond interest, etc., the regular dividends of $460,000 and leave a surplus of $83,000 to carry forward. Nor was this all. The report shows provision for exhaustion of minerals of nearly $200,000. This amount it is understood, was based on about 25 per cent. of the earnings, allowed the Company by the Government in the case of asbestos mines. As the supply of asbestos in these mines is considered almost inexhaustible this sum of $200,000 may be considered as additional earnings set aside as a reserve fund. One year before there was an amount of $315,000 and two years ago one of $190,000, making the total reserve, out of earnings not shown in the regular report, some $705,000. The balance available for dividends, not counting in this reserve, was 7.76 per cent. on both preferred and common for the preferred shares with the common in all increased in dividends from now on. After meeting the preferred dividend the balance earned on the common was 8.77 per cent.

Those in touch with the Company, THE FINANCIAL POST understands, are fairly confident that their exports to the United States this year will run well ahead of 1921 owing to the expected improvement in business generally. The Company is now exporting a large quantity of asbestos to Germany, in spite of the rate of exchange. Dealing with the prospects before the Company, the president, W. G. Ross, says:

"The orders on the company's books, though less than a year ago, are still considerable. Due to the world-wide depression in trade, necessitating your company complying with requests from its customers to withhold supplies until business improved, shipments of raw asbestos during 1921 were approximately 45% of those made during the previous year. The earnings were, therefore, considerably affected, but, with the looked for revival in trade, demands of manufacturers should increase."

The profit and loss figures for the past three years compare as follows:

PROFIT AND LOSS ACCOUNT

	1921	1920	1919
	$	$	$
Profits	†756,644	1,661,672	1,473,752
From invest.	136,414	125,266	99,565
Net income	893,058	1,786,938	1,573,317
Bond int.	150,000	150,000	150,000
Balance	743,058	1,636,938	1,423,317
Renewals, etc.	....	272,338	224,691
Balance	743,058	1,369,600	1,198,626
Depreciation	199,800	315,659	190,554
Balance	543,258	1,048,940	1,008,071
Divs. & bonus	‡460,	582,500	530,000
Surplus	83,258	466,440	478,071
Prev. surplus	2,052,831	1,586,390	*1,108,319
Total surp.	2,136,090	2,052,831	1,586,390

*1918 year-end dividend deducted.
†After renewals and taxes.
‡No bonus was paid in 1921, 2% on each in 1920 and 1919.

The balance sheet of the Company shows working capital of $3,510,000 compared with $3,398,000 one year ago, the current liabilities being only about 5 per cent. of the current assets. Among these assets are investments of $2,182,000, including $1,321,550 of Government and Victory Loan bonds. Inventories stand about $470,000 higher than one year ago, probably explained by the statement of the president that requests of some of their customers to defer delivery of orders were granted. The company has a surplus on hand of $2,136,000 and in addition a taxation reserve of $227,464. The large sums written off for depreciation of the mines do not appear in the balance sheet, but may none the less be regarded as a very real reserve.

The various items of the working capital account for the year compare as follows:

Working Capital

Current Assets	1921	1920
Investments	$2,182,077	$2,038,746
Inventories	815,413	347,672
Accounts rec.	277,071	895,177
Cash	448,560	614,808
	$3,723,123	$3,896,404
Current Liab.	1921	1920
Accts. payable	$ 94,571	$ 240,476
Accrued liabs.	3,384	2,433
Div. & bonus pay.	115,000	255,000
	$212,955	$ 497,910
Bal. working cap.	$3,510,168	$3,398,498

ILLINOIS TRACTION CO. EARNINGS $6,002,496

Increase of Nearly 12 Per Cent. Over Previous Year—January Up Well

From Our Own Correspondent

MONTREAL. — The returns of the Illinois Traction Company for the twelve months ending December 31, 1921, show gross earnings of $22,057,246 as compared with $20,854,399 in 1920, hardly as large an increase as had been anticipated earlier in the year. The reduction in operating costs, however, enabled the Company to show net earnings of $6,002,496 as compared with $5,378,969 in 1920 an increase of 11.6%.

Twelve Months Ending December 31

Revenue	1921	1920
Interurban Lines	$7,161,772	$7,175,660
Electric Lighting	8,139,355	6,977,211
Steam Heating	498,039	529,074
City Lines	4,564,507	4,673,948
Gas	1,555,134	1,248,665
Ice	70,499	73,231
Water	19,032	17,857
Miscellaneous	48,904	158,748
Total City Properties	$14,895,472	$13,678,738
Total Gross Earnings	$22,057,245	$20,854,398
Percent of increase over previous year	5.77	20.16
Expenses	$14,862,193	$14,570,060
Taxes, Federal	277,829	172 078
Taxes, Local	914,726	733,292
Total expenses and taxes	$16,054,749	$15,475,430
Net over expenses and taxes	$6,002,496	$5,378,968
Percent of increase over previous year	11.59	11.27

The figures for January show a decline in gross earnings of ½ of 1 per cent. the total being $1,972,098 as against $1,982,138. Again the net shows up much better than one year ago with the decline in operating costs, wages, material, etc., the total being $638,846 as against $535,816, an increase of 19.23 per cent. in favor of January 1922.

LOAN COMPANIES POSITION UNCHANGED

Summary of Assets and Liabilities of Forty Loan Companies Show Little Change

The summary of assets and liabilities of the forty-one loan companies, that are registered in the Province of Ontario, show practically no change from that of last year. The total assets for 1920 and 1921 are $213,953,798 and $213,427,588 respectively. The total liabilities amount to $127,350,060 and $127,285,359 for the above years. The following table gives the statement in detail:

Assets	1920	1921
Premises	$4,070,086	$4,150,887
Real estate	6,734,394	7,038,061
Mortgages	144,797,611	146,123,960
Loans	4,385,838	4,036,147
Gov. bonds	12,553,940	12,897,849
Municipals	10,519,977	10,092,087
Securities	6,661,936	6,419,484
Stocks	12,288,415	11,477,434
Cash	9,895,250	10,241,760
Other assets	1,046,396	949,913
	213,953,798	213,427,588
Liabilities To the Public	1920	1921
Debentures	$93,393,328	$93,403,187
Deposits	29,605,953	29,951,393
Borrowings	1,492,821	1,587,461
Other liab.	2,857,957	2,343,317
	127,350,060	127,285,359
To Shareholders		
Capital	50,737,553	50,734,604
Reserve	30,006,803	30,297,054
Dividends	1,227,791	1,264,696
Profits	3,631,588	3,845,873
	212,953,798	213,427,588

STOCK MOVEMENTS OF THE WEEK

Week Ending March 7

BANKS—	Div. Rate.	Ask.	Bid.	High.	Low.	Close.	Sales
Commerce	12	181½	180	181½	180	181	73
Dominion	12+1	191	190	191	190	190	72
Hamilton	12	170	...	170	168	168	12
Hochelaga	10	147	146⅞	147	147	147	16
Imperial	12	170	169½	172	170	170	59
Molsons	12	165	...	165	163½	163½	35
Montreal	12	...	214	217	215	217	80
Nationale	12	110	...	110	110	110	57
Nova Scotia	16	...	259	257	256	257	71
Royal	12	196	195	196	194	195	.359
Standard	14	...	200	201	200¾	201	41
Toronto	12	176½	175½	176	176	176	26
Union	10	137	...	137½	136½	136½	50
INDUSTRIALS, UTILITIES, ETC.							
Abitibi Pulp, com.	..	36½	36	37½	35¾	36	741
Do pref.	7	....	84	84	83½	84	32
Ames Holden pref	..	....	20	21	20	20	210
Amer. Salesbook com.	..	15	13	13⅛	13⅛	13⅛	25
Do pref.	7	85	82	85½	85	85	52
Asbestos Corporation com.	6	55	54	55½	50	55	1346
Do. pref.	7	74	73½	74	73¼	73½	75
Atlantic Sugar com	..	24½	23½	26	23	24½	1385
Barcelona Traction	..	5¾	5½	7¼	5½	5⅝	4955
Bell Telephone	8	105	104	105	104	104½	421
Brazilian Traction	..	34¾	34½	36⅞	34¼	34¾	11751
B. C. Fishing	..	....	24½	27	24¾	24¾	256
British Empire Steel com	..	10	8½	9	8½	8½	30
Do first pref.	7	....	....	65	62	65	62
Do second pref.	..	23	....	21½	20	20	1066
Brompton Pulp	..	17⅜	17¼	18	16¾	17	605
Burt, F. N. com.	10	113	....	114	112½	113	176
Do pref.	7	....	....	114¾	114	114¾	20
Canada Bread com.	..	26½	26	26½	26	26	140
Do pref	7	....	90½	90	90	90	2
Can. Car and Foundry com.	..	22	20	22	21	21	80
Do pref.	..	50	49½	49½	49	49½	160
Canada Cement com	6	56½	55	57	51	57	189
Do pref.	7	....	90	92¼	90	91½	107
Canada Steamships com	..	....	10¼	12½	10	11	1280
Do pref	7	38	37	40¼	36	39	4121
Canada Converters	7	74¼	73¾	74¼	73	74	798
Can. Cottons pref	6	....	77	78	77	78	3
Can. Gen. Electric com	8	96½	96	96½	95½	96¼	502
Do pref	7	....	100	103	100½	100½	24
Can. Locomotive pref	7	85	83	83½	82	83½	17
Canadian Pacific Railway	10	139¾	139¼	140¾	138	140¼	803
City Dairy com	7+3	93	....	92	92	92	100
Do pref.	7	....	93	94	92	94	25
Consumers Gas	10	150	149	149½	147	149⅜	75
Crows Nest Coal	6	....	47	50	50	50	30
Detroit Railway	10	62	61¼	62	59	61½	942
Dominion Bridge	4	67⅞	67½	68½	66	67½	1040
Dominion Canners com	..	26	....	28	25¼	26	127
Do pref.	7	76½	....	76½	74½	74½	55
Dominion Glass com	6	63½	62½	63	62¾	63	375
Do pref	7	....	91	92	92	92	15
Dominion Textile com	12	139	136	139	137⅛	137⅛	21
Dominion Iron pref	7	....	67	63	62	62	45
Dominion Steel com.	..	23	22	25½	22	22	1060
Do pref	6	....	70	72¼	71⅞	72	195
Duluth-Superior	..	21	19¾	20	19	29	330
Ford Motors	15	310	300	300	300	300	5
How. Smith Paper com	8	....	61	65	60	63	375
Do pref	8	86	....	85	85	85	35
Illinois Traction com	..	28	....	26	26	26	200
Do pref	6	....	78½	79½	78¾	79	86
Lake of Woods com	12	150	147½	149	148	149	144
Do pref	7	....	105	107	107	107	10
Laurentide Paper	6	79	78½	80	78⅝	78⅝	970
Lyall Construction	4	....	35	36⅛	34¾	34¾	431
Macdonald, A.	..	12	....	12	11¾	12	80
Mackay com.	6	85	84⅛	85	84	84¾	428
Do pref	4	....	64	64¾	64¼	64¾	10
Maple Leaf Milling com.	12	133	132	132¼	131½	132	285
Do pref	7	....	98½	99	98½	98¾	65
Monarch Knitting pref	7	....	78	78	78	78	30
Montreal L. H. & Power Cons.	5	85½	85¼	87	85¾	86	1795
Montreal Telegraph	8	....	....	50	49	49	22
Montreal Tramways	10	144½	....	144	143	144	22
National Breweries com.	4	57⅜	57¼	59½	57	57⅝	2933
Ogilvie Flour com	12	205	200	205	200	202½	180
Do pref	7	....	105½	110	110	110	5
Ont. Steel Products com	4	41½	40	41¾	41	41¼	310
Ottawa L. H. & Power	6	82	....	82	81½	82	153
Ottawa Traction	4+1	....	73½	74	73½	73½	40
Pacific Burt, com.	2	40	35	35	35	35	120
Penmans com	8	100	....	104	103	104	275
Porto Rico Railways com	4	32	....	29½	29½	29½	7
Do pref	7	....	70	70	70	70	2
Price Bros.	2	35½	35	37	35	35	380
Provincial Paper pref.	7	85	....	85	84	84	30
Quebec Railway	..	22	21½	22½	21	22	1460
Riordon Pulp com	..	6½	6	6¼	6	6	415
Rogers, Wm. pref.	7	78	....	78	78	78	5
Shawinigan	7	105	104⅞	105	104	105	197
Sherwin, Williams pref.	7	94½	....	95	93	94	65
Spanish River Pulp com	7	....	66½	70	68	68	210
Do pref	7	82½	80½	85	80⅞	81½	1372
Steel of Canada com.	7	58¾	58	59	57¾	57¾	450
Do pref	7	93	91	94	92¾	93	148
St. Lawrence Flour com	6	77	75	77	73	77	285
Toronto Railway	..	65¼	65	66½	64½	65	1954
Tuckett Tobacco com	4	37	34½	35½	35	35½	170
Twin City com.	..	44	43	44	41	43½	362
Wabasso Cotton	4	....	60	60	60	60	15
Wayagamack	..	....	41	41	41	41	25
Winnipeg Electric	..	35	34	37	34½	34½	509
Canada Landed	10	....	77	72	75⅝	77	37
Canada Permanent	12	....	178	178½	177½	178½	21
Colonial Investment pref	6	7½	7	7	7	7	39
Huron and Erie	6+¼	114	112	113	113	113	7
National Trust	12	201	200	201	199	201	68
Ont. Loan and Deb.	10	....	80	79	79	79	23
Imperial Life	15	....	90	90	90	90	5

2 cut returned to Advertising Service May/30/22.

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PORT HOPE SANITARY

Annual Statement Indicates Satisfactory Progress

The annual statement of the Port Hope Sanitary Company, Ltd., indicates satisfactory results from the years operations. The profits for the year ending January 31 stand at $91,211 as compared with $69,2992 of a year ago. Depreciation and all other charges being paid leaves a balance to be carried forward of $54,191.

President L. M. Wood in reviewing the year's operations said.

"As predicted in our last report there was a fair amount of building last year, while prices of builders' materials declined to a level which with the easing of financial conditions generally, should permit of increased activity. The outlook for 1922 is encouraging, and promises a better demand for enamelware. While the volume of business may not increase very much as to value, our factories should produce a greater tonnage, the effect of which will be a lower production cost, which should in turn offset the last reduction in prices."

The balance sheet shows a slight increase in the gross assets which stand at $1,450,926 as against $1,436,524. One year ago the current assets of $250,729 compared with 256,144 for 1921. Cash in hand and accounts receivable show considerable growth, while raw materials and supplies have decreased in value, the latter item stands at $117,803 as compared with $217,034. Current liabilities have declined from $40,017 of last year to $13,513. The total reserve amount to $115,984 in comparison with $136,414 of a year ago.

The Public Service Commission, New York State, has ordered a reduction in telephone rates equivalent to over half the war-time increases of 28%. A further decrease is expected to follow the downward movement of prices.

DULUTH-SUPERIOR

Passenger earnings of the Duluth-Superior Traction Company for the last week of February amounting to $24,208, showed a decline of $10,887, or 31 per cent. from the earnings for the corresponding period in the previous year. The large decrease, it is stated, is due to a blizzard on February 22, which reduced the earnings approximately $10,000.

BEACH FOUNDRY BONDS

In connection with the item in last week's issue answering an enquiry regarding Beach Foundry bonds it should have been explained that the issue of $100,000 is a first mortgage on all the company's holdings including real estate, patterns and equipment. A conservative appraisal of the buildings and real estate has been made at $170,000, and the patterns and equipment are estimated at an additional $100,000. In order to safeguard the bondholders there is a $50,000 life insurance on the management which in case of death is payable to the company for the purpose of redeeming outstanding bonds.

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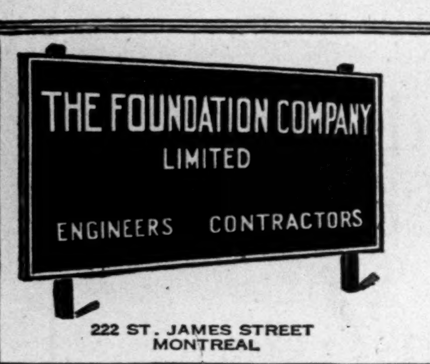

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Western Canada Flour Mills Company Limited
A. KELLY, *President* — J. E. MACFARLANE, *Gen. Mgr.*
Head Office: Toronto
Mills at
Goderich, Winnipeg, Calgary
Brandon, Edmonton, Victoria
Daily Capacity—Flour, 10,000 barrels, Rolled Oats, 1,000 barrels
MANUFACTURERS OF
PURITY FLOUR PURITY OATS

P. Lyall & Sons Construction Company, Limited
Toronto - Montreal - Ottawa

PENMAN'S PROFITS ARE CUT SHARPLY DIVIDENDS SAFE

Re-assuring Statements of President at the Annual Meeting

ORDERS OF $2,750,000

Working Capital in Excellent Shape, Exceeding $3,000,000—Prospects Better for Current Year

From Our Own Correspondent

MONTREAL.—The financial statement of Penman's for the year ending December 31, 1921, shows another sharp decline in profits marking two stages in the recession from the high mark established in 1919 of $1,523,033. The decline brought profits to $460,305 in 1920, and the profits for 1921 were only $223.855, or less than one-sixth those of 1919. The result was that the deductions of $388,366 covering interest and dividends made it necessary to draw $165,000 from the surplus account, leaving the balance to carry forward to 1922, $880,881 as against $1,045,391 at the end of 1921.

Three Times Orders of Last Year

This record, however, would appear to be the worst that the shareholders of Penmans have reason to expect. At the annual meeting this week the president, Sir Charles Gordon, declared that the showing for 1921 was due to the decline in business during the first eight months of last year but that during the last four months business had picked up considerably. Bringing the records up to the date of the annual meeting, he informed the shareholders that the company had orders on hand at the present time of $2,750,000, largely due to the bookings of the last sixty days. This amount was nearly three times that of the same date last year when the orders were only $1,106,000. The sales during April, May and June last year were very, very small, but he was hopeful that the improved position of the last couple of months would be reflected in the sales of the next two or three months.

Sales Cut in Two

The inventories of the company had been reduced by about $1,200,000 and it was his opinion and the opinion expressed by Mr. Bonner, the general manager of the company, that the danger point in regard to inventories had been passed. Sir Charles expressed the view that he did not think that the retailers had brought down their prices sufficiently. The sales for the last year had been cut down from $9,499,180 in 1920 to $4,789,053, a decrease of nearly 50 per cent., but a large portion of this was due to greatly reduced prices.

Want to Maintain Dividend

Dealing with the dividend policy of the company the president stated that the bonus of 2% that had been paid on the common stock would not be considered again until this had been earned. "The dividend we want to maintain," he added. While the surplus had been called on this past year the reserve account, amounting to $3,000,000, had not been touched and the impression given by the president was that any curtailment of this would not be found necessary. The profit and loss figures for the past five years appear below.

Working Capital, $3,142,000

One of the most impressive features of the report is the strong working capital position that is indicated. The excess of current assets over current liabilities now stands at $3,142,149. The total of current assets is $3,344,465 and there is a very small amount of current liabilities to offset this, some $202,000, as compared with $1,846,000 one year ago. It is notable that a bank indebtedness of $1,300,000 that appeared among the current liabilities one year ago has been wiped out.

An interesting point came up at the meeting in answer to an inquiry of a shareholder as to whether the machinery in the various mills had been kept up-to-date. Mr. Bonner replied that very often from $100,000 to $150,000 was expended each year on replacements and additions and that the expenditure on the upkeep of machinery was charged to expense account. In the past five years $1,000,000 had been spent in new machinery and $409,000 on replacements.

The following is a comparison of the current assets and liabilities for the past two years.

Working Capital Account

	1921	1920
Current Assets—		
Cash	$334,456	$324,124
Receivables	804,632	1,504,296
Insurance	36,689	38,993
Inventories	1,959,587	3,232,210
Victory bonds	209,100	206,565
Total	$3,344,465	$5,232,210
Current Liab.—		
Payables	176,183	531,414
Divids. due	173	173
Wages	25,959	15,261
Bank debts	....	1,300,000
Total	$202,316	1,846,848
Bal net work. cap.	$3,142,149	$3,385,362

Sinking Fund and Bonds

Another question brought up by a shareholder was that of the absence of sinking fund for the bonds of the company. Sir Charles Gordon in reply stated that the company held Victory Bonds $209,000 to offset a sinking fund. The $2,000,000 of 5 per cent. bonds did not mature until November 1, 1926, and he did not think that there would be any difficulty then in providing for them. In fact any new issue that was required was not likely to be as much as the $2,000,000.

FIVE YEARS' PROFIT AND LOSS ACCOUNT—PENMAN'S

	1921	1920	1919	1918	1917
Profits	$223,856	$460,305	$1,437,291	$1,358,331	$1,135,745
Other revenue	......	......	85,742	......	......
Total	223,856	460,305	1,523,033	1,358,331	1,135,745
Deprec.	......	......	129,719	121,160	120,223
Bond interest	100,000	100,000	100,000	100,000	100,000
War tax	*8,806	45,000	425,000	355,169	91,813
Pref. div.	64,500	64,500	64,500	64,500	64,500
Bal. avail. for com.	59,356	250,805	803,814	717,502	851,018
Com. div.	215,060	209,683	145,165	161,295	107,530
Balance	**164,510	41,122	658,649	556,207	743,488
Patriotic	......	......	4,547	13,907	16,300
To reserve	......	......	500,000	500,000	500,000
Balance	**164,510	41,122	154,102	42,300	135,375
Prev. bal.	1,045,391	1,004,269	850,167	807,867	672,492
P. and L. balance	880,882	1,045,391	1,004,269	850,167	807,867

*Bad debts.
**Deficit.

THE BRITISH RAILWAYS

Big Rise in Costs Under Government Control

In a recent report from Great Britain, a comparative table is given, showing the financial results of the English railways during 1913, and the period under Government control. The total receipts in 1913 amounted to £118,700,000, and the proportion of expenditures to receipts was 63.3 per cent. In 1920, total receipts were £235,000,000, but the proportion of expenditures to receipts was 97 per cent. This readily accounts for the result in net receipts in 1913 at £45,633,000, and those of 1920 at only £5,974,765. The percentage of increase in wages, 1920, over 1913, was 237 per cent. Other expenses show an increase of 147 per cent. and the total expenses increased 202 per cent.

OTTAWA LIGHT AND HEAT'S GOOD YEAR

Net Earnings Increased From 6.5 Per Cent. to 9 Per Cent. in 1921

The annual statement of the Ottawa Light, Heat and Power Company, Ltd., shows a substantial increase in the earnings, both as to gross and that applied to the common shares. The gross revenue for the year amounts to $1,652,051 as against $1,459,308 in 1920. The total assets shown by the balance sheet are $9,214,207 as compared with $9,092,877 for the previous year. During the year the net earnings on the common stock amounts to 9 per cent. as against 6.5 per cent. of 1920. The accounts payable to the banks amount to $306,287 compared with $156,670 of a year ago; accounts payable to the trade are $91,088 against $213,117. The reserve account remains unchanged at $770,000; and profit and loss account has increased from $128,000 to $221,831 for 1921.

The following are the comparative figures showing particulars of the profit and loss account for the past three years:

	1921	1920	1919
Total rev	$1,652,051	$1,459,308	$1,237,128
Expend..	1,331,789	1,230,609	1,006,158
Surplus	320,261	228,699	230,971
Prev bal	128,090	123,983	114,525
	$458,351	$352,682	$345,496
Less—			
Dividends	$210,000	$210,000	$209,983
Bad debts	16,520	14,593	11,529
Balance..	221,831	128,090	123,984
	$458,351	$352,682	$345,496

President T. Ahearn pointed out that operating conditions have shown some improvement. The downward trend in cost of labor and material has been reflected in the net earnings. Owing to the uncertainty of coal in the latter part of 1920 and the early part of 1921, we were obliged to replenish our depleted stores at prices higher than now prevailing. The taxes paid by the company for 1921 amounted to over $129,000. In this connection it should be noted that the companies competitor, the Municipal System pays practially no taxes.

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THOS. C. HASLETT, K.C. — C. S. WILCOX
SIR JOHN S. HENDRIE, K.C.M.G. — W. A. WOOD
J. F. KAVANAGH
COL. JOHN I. McLAREN
MANAGER
S. C. MACDONALD

Annual Report for the Year Ending December 31st, 1921

PENMANS LIMITED

Corporate Office, Montreal, Que. — General Offices, Paris, Ont.

BOARD OF DIRECTORS—1921-1922

President: SIR CHARLES GORDON, G.B.E.
Vice-President: R. B. MORRICE
H. B. MacDOUGALL — J. P. BLACK — WM. McMASTER
J. R. GORDON — J. N. LAING — JOHN BAILLIE
V. E. MITCHELL, K.C., D.C.L.
I. BONNER, General Manager — C. B. ROBINSON, Secretary-Treasurer

DIRECTORS' REPORT

Your Directors beg to present herewith the Sixteenth Annual Report for the year ending 31st December, 1921.

Sales for the year amounted to $4,789,053 as against $9,499,180 in 1920, a decrease of 50%, due in part to greatly reduced values.

Profits for the year amount to $223,855.86, but as our disbursements for Bond Interest, Preferred and Common Dividends and Bad Debts written off, exceeded this amount, we were obliged to draw on our Surplus to the extent of $164,510.18.

The first eight months of the year 1921 showed a continuous falling off in both values and quantities, but during the last four months business picked up considerably, and at the present time shows an improvement over the same months last year.

Our financial position is excellent, the liquid capital of the Company being $3,142,149.66 in excess of liabilities. We have no Bank indebtedness, which compares with $1,300,000 owing the Bank last year, and we have on hand $334,000 in Cash, besides $209,000 in Victory Bonds.

The conservative policy followed by the Company in prosperous years has placed it in the strong position just mentioned, and, with the return of anything like normal business, we can confidently look forward to the future, as our plants are in excellent condition, and we have ample working capital.

The books and accounts of the Company have been audited during the year by C. S. Scott & Company, Hamilton, and their report is presented herewith.

Respectfully submitted,
C. B. GORDON,
President.

PROFIT AND LOSS ACCOUNT
For the Year Ending 31st December, 1921

Amount brought forward from 31st December, 1920		$1,045,391.68
Profit for year 1921		223,855.86
		$ 1,269,247.54
APPROPRIATION		
To Interest on Bonds	$100,000.00	
" Four Quarterly Dividends of 1½% each on Preferred Stock	64,500.00	
" Four Quarterly Dividends of 2% each and Bonus of 2% on Common Stock	215,060.00	
" Bad Debts written off	8,806.04	
		388,366.04
Balance Forward		$880,881.50

GENERAL STATEMENT—As at the 31st December, 1921

ASSETS

Fixed		
Comprising Real Estate, Buildings, Plant, Dwelling Houses, Water Powers (Less Depreciation)		$3,706,377.24
Goodwill, Trade Marks, Etc.		2,257,954.60
Current		
Cash on hand and in Bank	$334,456.48	
Accounts Receivable	756,098.98	
Bills Receivable	48,533.49	
Unexpired Insurance	36,689.29	
Inventory of Raw and Manufactured Stock	1,959,587.11	
Victory Bonds	209,100.00	
Total Current Assets		3,344,465.35
		$ 9,308,797.19

LIABILITIES

Capital Stock		
Authorized, Preferred	$1,500,000.00	
Authorized Common	2,500,000.00	
	$ 4,000,000,.00	
Issued, Preferred	$1,075,000.00	
Issued, Common	2,150,600.00	
		$3,225,600.00
Reserve Account		3,000,000.00
Five Per Cent. First Mortgage Bonds Due 1st November, 1926		2,000,000.00
Current Liabilities		
Unclaimed Dividends	$ 173.47	
Accounts Payable, including War Tax	176,183.32	
Wages	25,958.90	
Total Current Liabilities		202,315.69
Surplus—Balance Profit and Loss Account		880,881.50
		$ 9,308,797.19

Approved { C. B. GORDON, R. B. MORRICE

C. S. SCOTT & CO., Accountants, Auditors, &c. — Spectator Building, Hamilton, Canada.

We certify that we have audited the Books and Accounts of Penmans Limited for the year ended December 31, 1921, and have been furnished with vouchers for all expenditures.

We have obtained all the information and explanations that we have required, and in our opinion the Balance Sheet herewith is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

C. S. SCOTT & CO.,
Auditors,
per C. S. SCOTT, F. C. A.

Hamilton, February 9th, 1922.

SUGAR REFINERIES HAVE WIPED OUT SURPLUS STOCKS

Reduced Raws on Hand From 84,000 Tons to 15,000 in January

REFINED DOWN ALSO

In January Manufactured 23,000 Tons And Shipped 27,000—All High-Priced Raws Gone

From Our Own Correspondent

MONTREAL.—Figures published by the Internal Trade branch of the Dominion Bureau of Statistics illustrate clearly the marked change for the better that has taken place during the past year in the position of the sugar refineries of Canada. One year ago the plants were loaded up with huge quantities of raw sugar and also large stocks of refined that had been piling up in the latter part of 1920, and which they had been unable to dispose of through a sudden slump in buying. These figures cover the month of January of both years and indicate that the refineries are doing a steady business and that stocks are being shipped out to customers in as large quantities as they are being manufactured.

The most impressive totals come from the stocks of raw sugar on hand in January one year ago, where they ran as high as 168,000,000 pounds or over 84,000 tons. The stocks on hand during January, 1922, at the highest point were less than 15,000 tons. Stocks of raw sugar received were highest during the week of January 21, with 12,000 tons, as contrasted with receipts that ran as low as 1,000 tons a week in January, 1921.

Taking the amount of refined sugar manufactured in January the four weeks' record shows 23,714 tons for 1922 and an even larger quantity, 27,296 tons, shipped out during the same period. That business improved during this year is seen by a comparison with the total shipments of granulated in January, 1921, which were only 20,740 tons, or over 7,000 tons less.

The amount of refined sugar on hand really decreased during the month of January as the previous figures would indicate, for the amount on hand during the first week was 21,730 tons and the last week only 17,972. One year before, the corresponding figures had been 36,843 tons and 38,819 respectively, showing an actual increase during the month in 1921.

Below appear records for the two years which indicate clearly that the refineries have been able to dispose of their heavy surplus stocks during the past year and that they are in a position now—relieved of the load of high priced raws that entailed fearful losses—to take advantage of the low prices of raw sugar and to make whatever profit is going under existing conditions.

Raw Sugar on Hand	1922	1921
Week ending	Tons.	Tons.
January 7	7,028	83,505
January 28	12,519	78,901
Receipts of Raw Sugar		
January 7	5,421	3,895
January 28	6,555	3,190
Refined Sugar on Hand		
January 7	21,730	36,843
January 28	17,922	38,819
Refined Sugar Manufactured		
January 7	2,232	4,191
January 28	9,157	7,689
Shipments	1922	1921
January 7	4,004	3,814
January 28	9,405	7,914
Four weeks	27,296	20,790

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ONTARIO'S MINE OUTPUT DECLINED

Only Two Metals, Gold and Platinum, Showed Increased Production in 1921

The grand total of the mineral production for Ontario in 1921 was $48,128,387, compared with $73,076,747 for 1920, according to the statistics issued by the Provincial Department of Mines. The outstanding feature in Ontario's mining industry is the growing importance of the province as a gold producer. Gold production was $14,624,085 in 1921, and was 25 per cent. in excess of the previous year. The output of the last quarter was at the rate of $19,329,220 per annum. This is explained by the lack of power in the early part of the year. Labor was plentiful, more efficient, and the cost of supplies was materially reduced. The total value of silver produced was 8,412,059 fine ounces, valued at $5,497,160. This is the first time, in 1921, that the gold output has been of a higher value than the silver.

The Porcupine area produced 633,557 ounces of gold, valued at $13,095,630, and silver total of 116,860 ounces, valued at $73,671. The Kirkland Lake district produced 73,773 ounces of gold, valued at $1,524,851 and silver total of 7,061 ounces, valued at $4,512.

The nickel-copper industry which expanded very rapidly during the war, has been curtailed. During 1921 the nickel mints shipped 262,593 tons to the smelters, and they produced therefrom 19,498 tons of nickel-copper matte, the nickel and copper content respectively being 18,256,900 and 12,645,391 pounds. The value was $2,110,750 and $356,708 respectively.

The following summary shows the metalliferous output production for 1921, compared with the same period in 1920:

Product	1920	1921
Gold	$11,686,043	$14,624,085
Silver	10,873,496	5,497,160
Platinum	1,996,535	51,060
Copper	1,041,994	356,708
Nickel	3,852,141	1,825,359
Iron, Pig	2,204,205	2,079,729
Clay products	4,735,164	3,885,199
Cement	4,377,814	6,425,266
Petroleum	724,145	466,716
Total non-metallic	24,795,194	20,554,185
Total metallic	48,281,553	27,574,202
Grand Total	73,076,747	48,128,387

DECREASED EARNINGS FOR PORTO RICO RYS.

Great Business Depression Due to Fall in Price of Sugar and Tobacco

The fifteenth annual report of the Porto Rico Railways Company shows a small falling off in the gross earnings, without however, the advantage of decline in operating expenses. This is chiefly due to the business depression experienced there, resulting from the fall in prices of sugar and tobacco. The gross earnings of the year total $1,332,485 as compared with $1,402,735 for 1920. Operating expenses increased from $839,666 of a year ago to $866,770 for the past year.

President D. E. Thomson pointed out the financial position of the company; first mortgage bonds of the company to the amount of $52,500 were purchased and delivered for cancellation in accordance with the sinking fund requirements of the trust deed. The total amount so far redeemable is $555,000. In anticipation of future sinking fund requirements further purchases have been made to the extent of $209,427.

The balance sheet shows a slight decline in the current assets from $415,043 to $403,203. Current liabilities are larger at $390,131 as compared with $223,782. The accounts and bills payable have increased from $64,709 to $221,554. The total assets at $8,663,074 compare with $8,537,980 of last year.

The following table is a comparative statement of earnings for the past three years:

	1921	1920	1919
Grs. earn	$1,332,485	$1,402,735	$1,129,782
Opr. exp.	866,770	839,666	693,843
Net earn.	465,715	563,069	435.939
Other rev.	42,877	54,484	23,693
Net inc.	508,592	617,553	459,543

MINERAL OUTPUT OF CANADA DOWN 37 P. C. LAST YEAR

Gold, Coal and Zinc Only to Show Increased Production

PIG IRON DOWN

Market for Metals Seriously Affected in Early Part of 1921—Shortage of Power Also Factor

The total value of the mineral production of Canada, for 1921, was $172,327,580 (Canadian funds), according to the preliminary report of the Department of Mines at Ottawa. This total is in comparison with $237,422,857 for the preceding year, showing a decrease of $55,095,277, or 37 per cent. The reason for this decline is that the readjustment which had set in, during the closing months of 1920, continued throughout the greater part of 1921 and particularly during the first half of the year. There was little constructive change in the market conditions, governing the sales of most mineral products. The mining of coal and gold might be regarded as the exception to the foregoing statement. In Northern Ontario the chief difficulty experienced by the mines was the lack of power for the larger part of the year.

The total value of the metallic production in 1920 was valued at $52,580,002, which shows the decline from $77,939,630 for the preceding twelve months. The gold was by far the largest item on the list, with copper next in value. Practically all of the other metals showed serious slumps.

The total value of the non-metallic production was $89,405,256 in 1921, including clay products, as compared with $107,027,947 for 1920, and $100,674,084 for two years ago.

Copper and Other Metals

The production of copper from all sources, during the twelve months of 1921, was 53,461,795 pounds, valued at $7,459,780 (Canadian funds)—at the rate of 12.502 cents per pound, and the exchange reckoned on the average monthly premium of $1.116. In 1920 when the average price of copper in New York was 17.456 cents per pound, the production amounted to 81,600,691, and the value computed on the same basis as the above, but with exchange at $1.1227, was $15,091,982. It will be seen that copper was hard hit by the decline in metal prices. In common with the other copper producing countries of the world, Canada is passing through a quiescent period, and at this time no immediate improvement can be observed.

Gold production from all sources amounted to 924,374 fine ounces, compared with 765,000 of the previous year, and valued at $21,327,000 and $17,754,487 respectively.

Total nickel production in 1921 was 19,293,186 pounds, or 31.4 per cent of the 1920 production. Valued at 35 cents a pound, the value was $6,752,615. The total mined last year was 61,355,706 pounds.

The total production of silver was slightly less than 1920—totalling 13.134,926 fine ounces, valued at $9,185,007, as compared with 13,330,357 fine ounces valued at $15,100,685.

Iron Ores and Pig Low

The shipments or iron ore from Canadian mines which in 1920 was the lowest on record for twenty years, again decreased by more than 50 per cent. The total quantity mined was 42,938 tons, and shipments amounted to 59,408. The pig iron produced was 595,000 long tons and ferro-alloy produced was 22,493 tons. Throughout the whole period the market was decidedly quiet and the suspension of interest in iron was general.

Metal Production For 1921

Materials	Quantity	Value
Coal	14,942,418 tons	74,273,000
Gold	924,379 ozs	21,327,000
Cement	5,805,237 brls	14,277,180
Clay Products	....	8,657,000
Silver	13,134,926 ozs	9,185,007
Copper	53,461,795 lbs	7,459,780
Nickel	19,293,186 lbs	6,752,615
Asbestos	90,407 tons	4,807,052
Lead	67,146,011 lbs	3,855,524

GOLD TO STATES

Canada Exported Nearly $37,000,000 Yellow Metal Last Year

From Our Own Correspondent

NEW YORK.—According to the Federal Reserve Board, gold to the amount of $36,856,000 was imported from Canada during the year 1921. This was slightly more than was imported during the same period of 1920. Exports to Canada totalled only $2,914,000.

Silver imports totalled $3,788,435 during 1921, being slightly smaller than there were during the preceding year. Exports again exceeded imports being $4,591,000. This was, however, a marked decrease as compared with 1920 when the exports of silver from this country to Canada amounted to over $7,061,000.

72nd Annual Statement
OF THE
Ætna Life Insurance Company
HARTFORD, CONNECTICUT
MORGAN G. BULKELEY, President

JANUARY 1, 1922

ASSETS	
Home Office Buildings	$1,820,000.00
Real Estate acquired by Foreclosure	15,565.92
Cash on Hand and in Banks	7,084,606.94
Stocks and Bonds	69,305,226.01
Mortgages secured by Real Estate	80,847,897.93
Loans on Collateral	791,539.00
Loans Secured by Policies of this Company	17,571,956.76
Interest due and accrued December 31, 1921	4,854,687.62
Due from Re-Insurance Companies and Others	15,917.72
Premiums in Course of Collection and Deferred Premiums	7,528,776.23
Amortized Value of Bonds and Market Value of Stocks over Book Value, less Assets not admitted	1,881,872.11
Total Assets	$191,718,046.24

LIABILITIES		
Reserve on Life, Endowment and Term Policies		$132,510,267.00
Reserves not included above		4,493,305.05
Premiums paid in advance, and other Liabilities		2,183,386.14
Unearned Interest on Policy Loans		474,662.81
Taxes Falling due in 1922		1,474,539.30
Reserve for Special Class of Policies, and Dividends to Policyholders payable in 1922		4,023,113,09
Losses and Claims awaiting proof and not yet due		1,645,574.14
Unearned Premiums on Accident, Health and Liability Insurance		7,699,675.73
Reserve for Liability Claims		13,434,000.97
Special Security and Mortality Reserve		1,500,000.00
Capital	$5,000,000.00	
Surplus	17,279,522.01	
Surplus to Policyholders (including Capital)		22,279,522.01
Total Liabilities		$191,718,046.24

GAINS DURING 1921

Increase in Assets	$ 14,215,680
Increase in Surplus to Policyholders	3,252,105
Increase in Life Insurance in Force	48,411,056
New Life Insurance Issued in 1921	358,446,980
Life Insurance Paid for in 1921	324,617,774
Life Insurance in Force Jan. 1, 1922	1,204,000,397
Number of Life Policies Jan. 1, 1922	281,736
Paid Policyholders since organization in 1850	424,248,011

T. H. CHRISTMAS & SONS, Managers, Guardian Bldg., St James St., Montreal
JOHNSON & ORR, Managers, 906-7-8-9 C.P.R. Bldg., Toronto
G. EDWARD BINGHAM, Manager, 209 Dominion Savings Bank Bldg., London
DOUGLAS J. JOHNSTON, Manager, 605 Union Trust Bldg., Winnipeg
J. F. BRANDT, Manager, Rogers Bldg., Vancouver.

DUNLOP TIRES
Ensure
HIGH-MILEAGE—DOUBLE-LIFE

- Dunlop leadership in Tiredom is most manifest. Mileage records almost unbelievable are piling up all over Canada.
- The Special Mileage-Making Process, which is the basis of our Fabric Tires, has worked wonders.
- Perfect shape and balance, stronger side walls to resist curb and rut abuse, special wear-resisting anti-skid tread, etc., add the last touch to popularizing to the full a tire that has long stood in high favor.
- Dunlop "Cords" made good from their inception.
- These tires taught motorists to expect more resiliency, greater air space, larger amount of material, better carrying capacity—in short, bigger mileage; and that is the standard by which all Cord Tires are judged to-day.

Dunlop Tire & Rubber Goods Co., Limited
Head Office and Factories: TORONTO. Branches in Leading Cities.
A. 159¾

MEETING YOU HALF WAY

If business conditions make you unable to buy needed insurance protection, we will meet you half way. We will furnish the protection and bring the premiums within your reach.

Age	3 Year Term	5 Year Term
20	$ 33.40	$ 33.75
25	35.45	35.95
30	38.65	39.50
35	43.65	44.95
40	51.50	53.50
45	63.75	66.95
50	82.85	87.80
55	112.65	120.25
60	159.00	170.55

The table gives rates for $5,000 policies payable at Death before the expiry of 3 or 5 years.

This is temporary protection only. **But before expiry policy is convertible into regular Life or Endowment insurance without medical re-examination.**

New policy issued at rates at attained age, or at old age and dating if difference in premiums is paid.

Temporary Protection at Cheapest Rates. Option to Convert to Regular Plan When Your Finances Permit.

Sign ....
Age Name Street City
tear out, and send to Head Office, or to any of the Company's Agents for further particulars and a sample policy.
THE ONTARIO EQUITABLE LIFE AND ACCIDENT INSURANCE COMPANY
HEAD OFFICE - - WATERLOO, ONTARIO

MONEY BANKING AND EXCHANGE

CURRENT LOANS CANADA'S BANKS STILL DECLINE

Progress of Industrial Deflation Is Noted In Bank Statement

A decline of nearly $36,000,000 for the month and over $126,000,000 for the year in current loans, was the outstanding feature of the monthly chartered bank government return to the end of January. Contraction of commercial and industrial activities with attendant deflation of values is also indicated in other changes. Gross assets declined over $120,000,000 during the month and were more than $300,000,000 lower than a year before. In addition to the curtailment of current loans there was a marked cut in call loans both in Canada and in New York. The former were reduced by $10,000,000 for the month and about the same amount as compared with a year before, while the latter were cut $12,000,000 during the month and $34,000,000 over the year. Balances in foreign banks were reduced by nearly $10,000,000 during the month and $13,700,000 for the year, and loans on government securities while being larger by $88,000,000 as compared with a year before were reduced $4,000,000 during January. Holdings of specie, of dominion notes and balances in banks of the United Kingdom were all reduced during the month, although the holdings of notes were larger as compared with a year before. The gold reserve was reduced $20,800,000 during the month and was down $42,000,000 as compared with 1921. Commercial loans abroad, municipal loans and loans on railway securities were among the few items showing an increase during January, and of these only the second mentioned showed expansion during the year.

Also indicating the country's contracted financial position, was the reduction in both demand and savings deposits—the former $53,700,000 for the month and $96,800,000 for the year and the latter $7,500,000 for the month and $79,800,000 for the year. Note circulation was reduced about $22,000,000 during January and $43,500,000 during the year. Liabilities to the federal government were reduced $24,000,000 during the month but those to the provincial government were increased by $4,500,000.

SASKATCHEWAN'S BUTTER

Creamery Production Greatly Increased in 1921

Despite the unfavorable year and the very trying conditions met with, the Saskatchewan Creamery Company, had a million dollar turnover. The amount of butter made during the year was 1,436,636 pounds or more than 343,289 pounds above the 1920 total. Of this total the eastern market consumed more than three quarters of a million pounds.

The ice cream sales were 15 per cent. lower, at 136,771 gallons and was due to the unseasonable weather experienced. The total sales on all products was over $1,000,000. The company built three new factories during the year, making a total of ten now operated by this company.

PUBLIC THE VICTIMS

Usual Results of Paternalism in Oklahoma Legislation

Oklahoma owes depositors of failed banks $4,500,000, and the guaranty fund out of which payment to be made amounts to about $200,000 a year, or 4½ per cent. of the sum due. Insurance of deposits, once hailed as a forward step has driven responsible banks out of the system, brought in irresponsible ones, encouraged careless banking, and victimized innocent people out of $4,500,000.

STERLING MARKET HAS BEEN ERRATIC

Canadian Funds Low, Due to Reports of Financing Within Empire

The exchange market during the past week has been rather erratic, both as to activity and movement. The general tendency during the first part of the week, was fairly weak, reflecting the political uncertainty in England, which tended to depress the market. No doubt considerable realizing was done by speculators, also. While in the latter part of the week the sterling market firmed up as the completion of the Anglo-French pact is regarded as certain in Europe and in the possibilities for definite constructive action at Genoa.

Sterling fluctuated between $4.37 and $4.41, Francs and lire were somewhat off, German marks were very weak, due to the increase in the paper circulation of over 4,000 million paper marks, and the reparation payments. Other continentals showed gains, particularly Belgian francs on rumors that a Belgian Loan was to be floated in London shortly.

Canadian funds on New York fluctuated widely during the week, due to the report that the proposed Federal financing was to be carried out within the Empire and not in American markets. The very favorable trade balance that Canada enjoyed with Great Britain during 1921, to the extent of $185,717,839, lends strength to this report.

NEW YORK FUNDS

Mar. 2—Opened at 2⅜, closed at 2¼, net gain 3-16.

Mar. 3—Rate fluctuating from 2 3-16 to 2 25-32.

Mar. 4—Moved to a high of 2 15-16, closed 2 11-16.

Mar. 6—Touched high of 3 17-32, closing, however, at 3.

Mar. 7—Moved higher to 4, closing quotation 3 15-16.

Mar. 8—Opened at 4½, closed at 3⅞.

Sterling and Francs

	Demand	Cables	Demand	Cables
Mar. 2	$4.42¼	$4.43	10.93	10.95
Mar. 3	4.39	4.39¾	10.92	10.94
Mar. 4	4.40⅞	4.41⅝	11.04	11.06
Mar. 6	4.39⅞	4.40⅝	11.25	11.27
Mar. 7	4.37½	4.38¼	11.04	11.06
Mar. 8	4.36¾	4.37½	11.24	11.26

MILLIONS FOR CANADA

Nearly 128,000 American automobiles passed the Niagara border into Canada last year, it is estimated. It is said that these tourists spent $57,000,000 in Canada.

IMPERIAL

The Imperial Bank of Canada has announced the appointment of three new supervisors of Eastern branches, as follows: E. K. Boultbee, acting Eastern supervisor since June, and formerly inspector; John McNeil, formerly inspector, and H. C. Houston, manager of the King and Spadina branch. Mr. Houston is being succeeded in the managership by Duncan Cameron, formerly inspector.

BANK OF MONTREAL SUPERINTENDENTS FOR PROVINCES

New Appointments Forecast Increased Service for Local Needs

From Our Own Correspondent

MONTREAL.—Changes of some magnitude among the executive officers of the Bank of Montreal will be announced shortly. The object of these changes in organization is to lessen the heavy volume of routine at the head office and at the same time to enable the bank to get and keep in closer touch with local conditions throughout the breadth of Canada. The changes while they may be considered a natural evolution have been brought into effect sooner than otherwise through the immediate expansion in the bank's business due to the absorption of the Merchants Bank.

The new system develops very considerably the principle of superintendents who will be increased from four to six or seven. At the present time two of the superintendents, Mr. Clarke and Mr. Cockburn are assistant general managers and supervise respectively the territories of Ontario, and of Quebec, the Maritimes and Newfoundland. There is also a superintendent at Winnipeg and one for British Columbia. New men, it is understood, will be chosen for the Maritime Provinces, Ontario, Manitoba, Saskatchewan and Alberta, with the arrangement for British Columbia remaining as it is at present. This rearrangement of control to some extent will render the bank's system more flexible, and ensure more rapid attention to the requirements of the various Provinces. Questions of policy and accommodation, many of which must now be referred to the head office at Montreal before they can be approved or rejected finally, would under the new plan be settled on the ground by men intimately in touch with the situation possessing definite knowledge of conditions and details necessary to render an immediate decision. This should react both to the advantage of the bank and its customers.

Among the appointments of divisional superintendents that have been made up to the present, it is understood, are the following:

Ontario.—S. C. Norsworthy, formerly third agent, Bank of Montreal, New York, and at present assistant to the general manager of the Merchants Bank, Mr. MacKenzie;

Saskatchewan.—C. W. Chesterton, formerly manager at New Westminster, B. C.; with F. G. Belcher, late inspector of Western branches, as assistant supervisor;

Alberta—A. M. Peters, formerly manager of the Calgary branch;

Maritime Section.—(Including New Brunswick, Nova Scotia and Prince Edward Island), A. E. Nash, formerly manager Halifax branch.

Among the new appointments at head office are O. R. Sharpe as assistant general manager and G. W. Spinney as assistant to the general manager.

APPROVED IN THE WEST

From Our Own Correspondent

REGINA.—Both the producers and the business interests in Saskatchewan, and the West generally in fact, express approval of the new plan of the Bank of Montreal in the appointment of Provincial superintendents, claiming that it is sound business to "westernize" by this de-centralization, thus assuring banking services adapted to the needs of the Prairies, the financial requirements of which are admittedly widely diverse from those of Eastern Canada.

ANALYSIS OF BANK STATEMENT FOR JANUARY

ASSETS

Immediately Available Liquid Resources

	Jan., 1922	Dec. 1921	Change	Jan. 1921	Change
1—Specie	$77,650,371	$78,851,283	—$ 1,200,912	$85,118,010	—$ 7,467,639
2—Dom. Notes	192,587,600	195,730,887	— 3,143,287	186,589,527	+ 5,998,073
4—Gold Reserve	47,652,533	68,452,533	— 20,800,000	89,702,533	— 42,050,000
9—U. K. Banks	7,889,806	13,353,415	— 5,463,609	16,792,250	— 8,902,444
10—Foreign Bks.	53,396,683	62,324,280	— 8,927,597	67,132,475	— 13,735,792
11—Gov. Sec.	210,358,659	214,461,583	— 4,102,924	122,258,205	+ 88,100,454
15—Call loans abd	157,913,228	169,859,037	— 11,945,809	191,854003	— 33,940,774
	$747,448,880	$803,033,018	—$55,584,138	$759,447,003	—$11,998,123
Loans and Securities Other Than Those of Canadian Governments.					
12—Public Sec.	$105,349,897	$109,180,482	—$ 3,830,585	$193,405,100	—$88,055,203
13—Railway Sec.	45,155,996	44,021,051	+ 1,134,945	46,398,296	— 1,242,300
14—Can. Call loans	102,630,461	113,071,089	— 10,440,628	112,474,318	— 9,843,857
16—Current loans	1,138,151,455	1,174,053,434	— 35,901,979	1,264,490,463	—126,339,008
17—Loans ab'd	148,733,747	145,343,054	+ 3,390,693	173,379,729	— 24,645,982
19—Prov. loans	7,407,430	7,913,135	— 505,705	12,657,149	— 5,249,719
20—Municipal	68,048,223	64,618,935	+ 3,429,288	59,637,682	+ 8,410,541
	$1,615,477,209	$1,658,201,180	—$42,723,971	$1,862,442,737	—$246,965,528
OTHER ASSETS					
21—Overdue debts	$ 8,980,763	$8,444,145	+ 536,618	6,908,400	+ 2,072,363
22—Real Estate	4,651,731	4,582,328	+ 69,403	4,150,502	+ 501,229
23—Mortgages	3,307,613	3,284,916	+ 22,97	2,802,659	+ 504,954
24—Premises	70,439,578	69,480,648	+ 958,930	62,340,796	+ 8,098,782
25—Lets. of credit	19,889,981	22,985,738	— 3,095,757	40,976,659	— 21,086,678
26—Other assets	3,667,894	4,323,482	— 655,588	3,613,043	+ 54,851
	$110,937,560	$113,101,257	—$ 2,163,697	$120,792,059	—$ 9,854,499
Total	$2,473,863,649	$2,574,335,455	—100,471,806	2,742,681,799	—268,818,150
3—Note cir. dep.	6,527,858	6,529,310	— 1,452	6,300,243	+ 227,615
5-8—Int. Bk. bal.	145,718,622	165,867,840	— 20,149,218	177,885,168	— 32,166,546
Gross	$2,266,110,129	$2,746,732,605	—120,622,476	2,926,867,210	—300,757,081
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
1—Circulation	$162,645,115	$184,602,546	—$21,957,431	$206,176,821	—$43,530,706
2—Dom. Gov.	97,114,278	121,190,191	— 24,075,913	97,470,729	— 356,451
3—Prov. Gov.	33,502,883	28,970,522	+ 4,532,361	21,085,858	+ 12,417,025
DEPOSITS BY PUBLIC					
4—Demand dep.	487,153,169	540,942,522	— 53,789,353	584,025,710	— 96,872,541
5—Savings	1,233,208,401	1,240,807,268	— 7,598,867	1,313,093,870	— 79,885,469
Total	$1,720,361,570	$1,781,749,790	—$61,388,220	$1,897,119,580	—$176,758,010
6—Foreign	254,777,696	270,721,507	— 15,943,811	318,622,947	— 63,845,251
DUE TO BANKS ABROAD, ETC.					
9—M. Kingdom	8,284,004	$8,182,816	+ 101,188	$3,478,328	+ $4,805,676
10—Foreign	29,987,372	30,235,785	— 248,413	31,363,045	— 1,375,673
11—Bills payable	11,550,634	11,167,844	+ 382,790	9,658,031	+ 1,892,603
12—Acceptances	19,889,981	22,985,738	— 3,095,757	40,976,659	— 21,086,678
13—Other liab.	2,118,241	2,319,043	— 200,802	3,165,552	— 1,047,311
Pub. liab.	$2,340,231,774	$2,42,125,782	—121,894,008	2,629,116,550	—288,884,776
8—Due Let. bks.	11,362,901	10,224,642	+ 1,138,259	13,263,885	— 1,900,984
Gross	$2,351,594,675	$2,472,350,424	—120,755,749	2,642,380,435	—$290,785,760

Weekly Bank Clearings

In comparison with same week last year

EASTERN CITIES

	Mar. 2, 1922	Change	%
Toronto	$101,899,612	+$6,232,256	6.5
Montreal	114,403,641	—14,330,180	11.1
Ottawa	5,470,745	— 2,991,923	32.9
Quebec	4,518,092	— 1,730,436	27.8
Hamilton	4,786,512	— 477,163	9.0
Halifax	2,844,061	— 1,226,706	30.1
St. John	2,553,050	— 437,492	14.6
Windsor	2,503,335	— 223,381	8.1
London	2,814,704	— 445,860	13.6
Brantford	881,418	— 361,885	29.1
Sherbrooke	718,708	— 502,573	39.1
Kitchener	963,231	+ 11,560	1.2
Moncton	901,784	— 215,125	19.2
Peterboro	595,622	— 358,748	37.5
Kingston	648,418	....	...

WESTERN CITIES

	Mar. 2, 1922	Change	%
Winnipeg	$40,623,010	+$1,979,387	5.1
Vancouver	12,012,428	— 1,617,242	11.8
Calgary	5,090,095	— 1,738,937	25.4
Edmonton	4,002,618	— 1,554,891	27.9
Regina	2,825,248	— 600,069	17.5
Victoria	1,927,704	— 429,244	18.2
Saskatoon	1,414,052	&— 355,946	20.1
Moose Jaw	1,020,232	— 199,200	16.3
Lethbridge	571,657	+ 7,499	1.3
N. West'ster	454,896	— 44,019	8.8
Brandon	502,829	— 245,701	32.8
Med. Hat	346,977	— 24,917	6.7
Pr. Albert	319,647	— 9,366	2.8
Total West	$71,011,393	—$4,832,646	6.3
Grand Total	$316,928,908	—$21,890,302	6.4
Yr. to date	$1,465,558,116	—$168,425,678	10.3

LA ROSE MANAGEMENT HITS BACK LUSTILY

Point to Dividend and Improved Earnings and Development as Reason

From Our Own Correspondent

MONTREAL—The management of La Rose Mines have come back with a vigorous reply to the efforts being made to drive them from control of this property. A circular has been issued over the signature of D. Lorne McGibbon, the president, in which it is claimed that statements made in a circular from Messrs. Andrews, Challener & Spurr are "misleading," and that these men are evidently acting for a group of mining brokers "whose object is to gain control of the company and its treasury," referring presumably to a surplus of $550,000.

It is stated that a profit of $126,000 was realized from the operations of 1921; that total costs per ounce were reduced from 73 cents in 1920 to 46 cents; that production and profits were the highest since 1916 and the cost per ounce the lowest since 1915. The cost of marketing was reduced to 7.8 per cent. as compared with 15.2 per cent. in 1920 and a saving of over $30,000 was effected. A new milling contract had been obtained on more favorable terms which would not only result in lower costs but in increased extraction.

The circular in a review of the situation since 1914 declared that at one time there was consideration of the liquidation of the company but it was finally decided to try all reasonable possibilities. Production had declined until 1918 but after that the directors' policy began to show and profit resulted last year in spite of a decline in silver. After referring to a recent declaration of a dividend of 10 per cent. it is stated that prior to 1921 the earnings did not justify dividends but that it was the policy to pay such dividends as the earnings

The Canadian Pacific Railway reports earnings for the week ending February 28, amounting to $2,815,000, a decrease of $252,000, or 8.2 per cent, as compared with the corresponding period in 1921.

THE BRYANT, ISARD FAILURE

MONTREAL.—An interesting aspect of the failure of Bryant, Isard & Company, is that prior to the assignment of Fairbanks, Gosselin & Company, the former firm is understood to have made an offer to take over the liabilities of Fairbanks, Gosselin, on condition that they themselves were allowed membership on the Montreal Stock Exchange, but the Exchange refused this. One of the claims of Fairbanks, Gosselin, is for over $200,000 against Bryant, Isard & Co. The latter firm were not members of the Montreal Stock Exchange.

THE FARMERS ARE TOO STRONG NOW FOR RECIPROCITY

(Continued from page 1)

ministration is apparently pledged to pass the Fordney Tariff Bill. Farmer support for this measure insofar as it affects manufactured products can only be obtained, if similar protection is given farm products. Without farmer support the Administration can do nothing for its supporters in the industrial parts of the country. Thus so long as the farmers continue to insist that farming is an industry, and its products manufactured products, so long must the Harding Administration, for its own sake if for no other reason, continue to demand of Congress high protection for the products of farm and factory.

But it must not be forgotten that there is a great deal of evidence for believing that the Administration is deliberately marking time so far as its tariff policy is concerned. Its leaders are believed by some to be waiting for that "return to normalcy" which the President so ardently desires and so often refers to in his public speeches. When this happy condition does arrive, it is thought the Administration will pass a permanent tariff measure which will take the axioms of international trade more into consideration than does the much discussed Fordney Bill.

Whether this measure will contain provision for reciprocal free trade so far as the exchange of foodstuffs between Canada and the United States is concerned, it is of course impossible to say. But that it will be so worded that the President will be able to bargain with foreign countries, there seems to be little doubt. The so-called flexible tariff plan has already won the support of many American business men.

HILLCREST MINES LOWER EARNINGS

Last Year Covered a Period of Great Depression, Profits Drop 65 Per Cent.

The annual statement of the Hillcrest Collieries, Ltd., for the year 1921, covering as it does a period of depression, shows a substantial reduction in the profits, compared with those of 1920. The net profits dropped from $168,704 to $100,191, during the past year. Miscellaneous earnings brought this total up to $133,664 as compared with $191,674 of 1920. After deductions, there remained available for dividends $117,414 and the disbursements of $49,399 in preferred dividends, leaves a balance of $68,015 for the common stock, or at the rate of 6.8 per cent. as against $126,025, representing 12.6 per cent. of the previous year.

The deduction of $60,000 in dividends on the common stock leaves a balance of $8,015 compared to $41,025 of the previous year. This added to the previous balance gives a profit and loss balance to be carried forward of $268,092.

TOOKE BROS. DIVIDEND

At a meeting of the Board of Directors of Tooke Bros., it was decided to defer payment of dividends on the Company's preferred shares until the result of the year's operations have been ascertained. The dividend would have covered the quarter ending February 28, 1922. This firm manufactures men's wear, such as shirts, collars, etc.

The world production of coal decreased over 200,000,000 tons during 1921, according to the United States Geological Survey. France and Germany were the only two countries to show an increase in production.

Earnings of the Canadian National Railways amounted to $2,191,292, a decrease of $365,067 or 14.2 per cent.

Relatively, the *Highest Grade* Government and Municipal Securities are the most attractive bond investments obtainable at the present time.

We recommend for the investor having an income of $10,000 and over:

TAX-FREE DOMINION OF CANADA 5½% VICTORY BONDS

Due 1st November, 1933, yielding approximately 5.17%.

Due 1st December, 1937, yielding approximately 5.05%.

For those with lesser incomes, and also for institutions, we recommend:

DOMINION OF CANADA 5½% VICTORY BONDS

Due 1st November, 1934;

Interest payable 1st May and 1st November;

PRICE—100 and interest, yielding 5½%.

PROVINCE OF MANITOBA 5½% BONDS

Due 1st February, 1937;

Interest payable 1st February and 1st August;

PRICE—100.75 and interest, yielding 5.43%.

CITY OF MONTREAL 5½% BONDS

Due 1st March, 1932;

Interest payable 1st March and 1st September;

PRICE—100 and interest, yielding 5½%.

CITY OF WINNIPEG 5½% BONDS

Due 2nd January, 1932;

Interest payable 2nd January and 2nd July;

PRICE—100 and interest, yielding 5½%.

A wider range of investments, with full particulars, will be furnished upon request.

DOMINION SECURITIES CORPORATION LIMITED.

Established 1901

DIRECTORS

E. R. Wood - President
G. A. Morrow - Vice President
J. W. Mitchell - Vice-Presiden.
W. S. Hodgens - Vice-President
A. L. Fullerton - Vice-President
J. A. Fraser - R. W. Steele
T. H. Andison - A. F. White

HEAD OFFICE:
26 KING STREET EAST
TORONTO

MONTREAL OFFICE
Canada Life Building
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LONDON, ENG., OFFICE
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A. L. Fullerton.

NEWS AND VIEWS FOR MANAGERS

FARM CREDITS FOR MANITOBA NOT SELF SUSTAINING

Government System Not on a Sound Economic Basis

From Our Own Correspondent

WINNIPEG.—In securing passage for an item of $24,015 for rural credits the provincial treasurer told the Manitoba legislature, that this money was for supervisory and administrative purposes. The provincial treasurer admits that there is not much likelihood of Rural Credit Societies functioning on a self sustaining basis in the near future.

In the debate in the House, P. A. Talbot, M. L. A. for La Verendrye recalled a statement by the Hon. Edward Brown two or three years ago, to the effect that Rural Credit Societies soon would be operating on a self-sustaining basis. F. G. Taylor, M.L.A. for Portage attacked the principle of the Rural Credit Societies, by which one section of a community derives benefits by reason of all the remainder of the province contributing to the maintenance of those Rural Credit Societies. Preaching sound economics, Mr. Taylor argued that these Rural Credit Societies should stand by themselves.

Admitting the inability of Manitoba's Rural Credit Societies to operate on a strictly business basis and without further and continued assistance of the provincial treasury the earlier contention of Canadian bankers is completely vindicated. When the provincial treasurer broke with the chartered banks, he did so on the question of rates. In Manitoba the chartered banks never refused to lend money to Rural Credit Societies, but they did decline to have the rate fixed at 6 per cent. during a period of high money. Canadian bankers took the attitude that a farmer should not hope to borrow from a bank for a short term at a lower rate than a loan company charges, particularly when the latter has mortgage security and makes the loan for a term of years. Low wages provide little or no reserve for losses.

"For the Government to depart from the rules of prudent business means the adoption of paternalism and the expenditure of money at the expense of the tax payer, for the benefit of a favored few," to quote the expressed conviction of a prominent Winnipeg banker.

To Help Delinquents

The provincial legislature's select standing committee on agriculture is presently investigating the financial outlook of Manitoba farmers for 1922. Action with the object of relieving farmers who are unable to meet interest arrears on mortgages, and who are thus believed to be menaced with total loss, has been urged upon the provincial legislature.

Geo. Palmer, labor member for Dauphin, takes the view that it would be much better to spend some of the money which is now being spent on unemployment, to keep farmers on the land, as he argues that agriculture is the basis for all prosperity in this province. Mr. Palmer declared in the house, that he was surprised to find there was less being done in Manitoba, than in the other prairie provinces. William Robson of the farmer group, expressed the belief that the time was ripe when relief action for the farmers should be taken. Many of the farmers could be saved, he said if the members would put their heads together. The result of the discussion was the appointment of the legislative committee.

It is doubtful if the Government will find it possible to raise fresh means of extending financial aid to Manitoba agriculturalists, other than through the medium of the Farm Loans' Association and the Rural Credit Societies. "But past experiences have shown us clearly," said a business man to THE FINANCIAL POST, "that the Government practises liberty until it becomes license where rural credit loaning is concerned."

With the recent re-assurances to the federal government, of the chartered banks of their willingness and ability to make all necessary advances to those of the farming community, who are reasonably entitled to them, it is just possible that Manitoba's investigating committee may call Winnipeg bankers into their conferences.

FORD AND ROCKEFELLER

They Hold Peculiar Positions in Public Opinion

No one will ever solve the mystery of what makes a popular hero. No one of us has ever been able to define the kind of public psychology which elevates a prominent figure into a sort of financial villain of the moving pictures, says Barron's Weekly.

Two of the richest men in America are John D. Rockefeller and Henry Ford. Mr. Rockefeller's public benevolences, worked out to the highest efficiency which ever characterized the Standard Oil Company, make him anything but a popular favorite. Except that Henry Ford pays better wages for unskilled labor, and succeeds in getting excellent value for the money, there is no great public benevolence which has ever been placed to his credit. But Ford is a popular hero, beloved of the railroad unions whose cherished working conditions he flouts on his railroad, while John D. Rockefeller is popularly regarded as a malefactor of great wealth. Of the two, Henry Ford openly, and professedly keeps his wealth in the family.

Indeed, Henry Ford, from the vantage point of popular favor, can steal a horse where Wall Street cannot look over the fence.

HEAVY LOANS TO ALBERTA FARMERS

Situation is Interesting in View of Agitation for a Government Bank

From Our Own Correspondent

EDMONTON—Bank loans in Alberta run into a total of $120,000,000, of which two-thirds is to farmers and ranchers, according to J. N. Kennedy, Alberta superintendent of the Merchants Bank. The figures are of interest in view of the agitation within United Farmer ranks for the establishment of a farmers' bank. One of the arguments for such a bank put forward at the recent convention of the U.T.A. in Calgary was the difficulty encountered by the farmers and ranchers in obtaining service from the existing financial institutions, and Mr. Kennedy went into the matter to show the sum total of money loaned on farm security was very considerable.

The banks have also, it is claimed by Mr. Kennedy, shown much consideration to their farmer customers, whom they have carried fairly generously during the past four years of depression.

CHANGES NOTED IN MERCHANTS' FINANCES

December and January Statements Indicate Shrinkage of Assets

Although the government bank returns covering the affairs of the Merchants Bank of Canada, showed nothing up to November to indicate that the opposition of the institution had been seriously undermined or the reserve greatly impaired, the reports which have since been submitted for December and January, indicate some very interesting adjustments. It is noted for example that the total assets of $182,000,000 have been reduced to about $44,000,000. Holdings of specie have been reduced from $4,000,000 to $1,800,000, gold reserve from $3,500,000 and finally wiped out. Government securities are down about $1,000,000, public securities more than $5,000,000, railway securities more than $3,000,000, call loans in Canada about $2,000,000, call loans elsewhere about $500,000, current loans about $15,000,000, municipal loans $1,800,000, while premises had been marked up nearly $2,000,000. On the other side of the balance sheet, circulation has been cut about $3,300,000, obligations to the Dominion Government have increased $2,700,000, demand deposits have been reduced nearly $8,000,000 and savings deposits $17,000,000. These changes are indicated in the following summary:

ASSETS

	Jan. 1922	Dec. 1921	Nov 1921
Specie	$1,790,255	$4,091,467	$4,106.201
Dom. Notes	3,130,247	4,336,011	5,524,736
Note cir.	530,000	530,000	530,000
Bank Notes	1,758,628	2,421,838	1,073,652
Cheques	5,281,356	7,631,416	8,260,404
Gold res.	....	2,000,000	3,500,000
Due from Banks	2,635	18,250	7,120
Due from U. K. banks	185,498	220,081	232,2
Foreign Bks	1,212,709	1,156,089	1,367,531
Gov. Secs.	13,271,752	14,119,450	14,119,450
Pub. secs.	3,490,737	5,137,457	8,796,487
Rail. secs.	2,095,720	2,154,883	5,117,790
Call loans in Can.	5,044,239	5,596,117	7,011,017
Call loans elsewhere	4,118,964	3,980,179	4,715,669
Cur. loans	87,864,670	91,925,690	102,857,726
Elsewhere	906,002	944,512	1,101,780
Loans to Provinces	....	....	205,550
Mun. loans	2,041,584	2,129,011	3,801,931
Overdue debts	2,707,312	2,816,450	2,700,465
Real estate	659,003	652,988	631,381
Mortgages	665,772	668,637	683,774
Premises	6,537,550	6,535,610	4,607,749
Lets. of cred.	454,907	599,872	576,978
Other assets	239,855	413,781	444,995
Total assets	$143,989,413	$10,079,805	$182,004,625

LIABILITIES

	Jan. 1922	Dec. 1921	Nov 1921
Cir.	$9,947,091	$11,821,785	$13,239,700
Due Dom. Govt.	13,756,412	15,544,974	11,044,532
Due Prov. Govt.	2,523,358	2,860,743	3,619,272
Demand dep.	30,803,208	35,842,756	38,345,142
Savings dep.	71,167,852	76,209,501	88,087,35
Foreign	2,515,639	2,146,380	3,204,602
Due Let. Banks	174,348	1,722,344	2,874,450
Due bks. in U. K.	30,143	53,857	51,719
Foreign	172,951	343,043	432,091
Bills pay	106,313	86,385	48,440
Acceptances	454,907	599,872	576,987
Other liab.	295,408	21,973	22,776
Total liab.	131,947,652	$147,253,616	$161,507,349

IMPORTANT ROLE PLAYED BY BANKS IN OUR HISTORY

First Banks Were Mixed Up in Politics—Different Now

From the Address Given by W. S. Wallace, M.A., on "The Place of Banks in Canadian History," before the Toronto Bankers' Educational Association.

It was in 1821 that the first bank in Upper Canada received its charter. This was the Bank of Upper Canada; and it was in 1822 that the Bank of Montreal, the Bank of Canada and the Quebec Bank were chartered in Lower Canada. Several of these banks had been in existence for a short time as private banks—the Bank of Montreal, for instance, having begun business in 1817.

Before chartered banks were established, the business of banking was carried on by other agencies. The functions of banking may, I suppose, be summed up under three heads: deposit, discount, and issue of notes. Take the case of deposits. It was some fortunate person, in the early days who had more gold or silver than he required for his needs, that did two things with it: he could place it in the old-fashioned stocking —and there was a lot of it done, or place it in some merchant's strongbox. Of course the merchants did not give any interest on deposits placed with them (it was only in 1835 that even the banks allowed interest on deposits.)

Just as deposits were accepted by the merchants, so discounts were usually made by them. Especially after Jay's treaty in 1794, when Canada was first permitted to trade direct with the United States, some of the merchants made a very handsome profit by trading in commercial paper. It was in this way that Enos Collins, the first great Canadian banker, and founder of the Halifax Banking Company, laid the foundations of his great fortune.

First Appearance of Paper Money

But the function of banking which, in these pre-banking days, was most imperfectly performed, was that of note issue. During the greater part of the French period there was no paper currency at all. In the 18th century, however, the authorities in New France resorted to the expedient of issuing what was known as card money—playing cards cut in four, pieces, marked good for certain amounts and countersigned by the intendent. At first these cards were real promises to pay; but later became mere fiat money and of course it fell to a fraction of its face value. After the British conquest the government of Nova Scotia issued for a time treasury notes—well-known as "shinplasters."

The establishment of a Canadian banking system in 1822 without doubt gave a very considerable impetus to Canadian trade and industry in the years that followed. It is a truism to say that the Canadian banks have played a vital part in the economic development of the country. The stability of the Canadian banking system has seen Canada through many a financial crisis; and while there is a difference of opinion as to whether the Canadian system encourages local enterprise, as let us say, the American system does, I do not think that anyone will deny that the Canadian banks have played a crucial part in building up Canada.

Banks in Politics

To-day the banks steer clear of politics. Such, however, has not always been the case. In the years preceding the Rebellion of 1837, the banks were very much in politics. The Bank of Upper Canada was the child of the Family Compact. Of the fifteen members of its first board of directors, nine sat in either the Executive or Legislative Council, or held important government positions.

So great was the hostility felt towards this bank that in 1835 the Reformers established a bank of their own, the Commercial Bank, under the management of Francis Hincks —afterward prime minister of United Canada. So high did feeling run in 1837 shortly before the Rebillion, William Lyon Mackenzie actually tried to ruin the Bank of Upper Canada by engineering a run on it. However, the Bank heard of it in time and the attempt was frustrated.

In the years following 1837 the political supremacy of the Family Compact disappeared and the era of responsible government dawned. In this period the banks came to play a much less conspicuous place in political history. This does not mean that they have not at times exerted a profound influence on the course of government. At repeated intervals the government has dallied with the idea of arrogating to itself the monopoly of the issue of bank notes. Many bitter fights took place over this subject, and the banks of Canada, by fighting every proposal, have contributed very much to the soundness of Canadian currency legislation. They have not won a victory all along the line, for the government has succeeded in arrogating to itself the issue of certain denominations of notes.

Banks Part in War

The banks were also the means of converting all the different currencies into our present system of the decimal currency. During the war the banks played a most important part in preventing "runs" and maintaining a feeling of confidence. Then again the banks gave support to the government in the floating of Victory Bonds.

Probably no banking system in the world was better adapted to serve as a medium for the handling of subscriptions to a loan of this sort than the Canadian, with its widespread system of branch banks.

The part that banks have played in Canadian history is a signal illustration of the important role that bankers are called upon to play in the Great Society in which we now live. Though bankers deal in money, they are paradoxically more than money makers, they are the servants of the public.

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TORONTO, MARCH 10, 1922

CARMICHAEL SHOULD BE CLEARED

THE RESIGNATION of Lt.-Col., the Hon. D. Carmichael from the Hydro Electric Commission has precipitated a crisis regarding the Chippawa project which is so rapidly swallowing millions of dollars of the people of Ontario. Nothing but a thorough inquiry will serve to clear up the charges of inefficiency and misrepresentation which have resulted in the government being called on to provide from $14,000,000 to $20,000,000 more in a single year than the estimates of the Hydro engineers—resulted in an increase estimated at about $10,000,000 in 1917 to expenditures of $69,000,000 to $75,000,000 in 1922 and a prospective total of $90,000,000 or so before the work is completed.

Col. Carmichael is a Highland Scotch Presbyterian of strong principles. He is the type of man who believes that everybody is straight until he finds out that they are crooked. He has felt his position very keenly since he deceived the legislature into accepting as final estimates of the cost of the project the figures which he accepted in the best of faith from the Hydro engineers but which were later found to have been cooked. Other men like Col. Carmichael have been similarly deceived but they have lacked the conscience and the courage which have led him to take the course which he has adopted. He should be vindicated.

It is high time that the mystery of melting millions at Chippawa was cleared up.

PUTTING THE MANUFACTURERS IN WRONG

THE CANADIAN Manufacturers' Association has recently gone officially on record for the open shop. If there is any way of getting in wrong with labor the busybodies in the C. M. A. seem able to find it. They have similarly embittered the farmers against the manufacturers by demanding higher tariffs. The result is that the growing labor political party has gone on record against protection—this policy was confirmed only last week—while as W. S. Fisher, president of the C. M. A., recently declared the name of the association west of the Great Lakes is like a red flag to a bull.

The crowd who dictate C. M. A. policies should realize that the association should be a meeting ground for all classes who are interested in the upbuilding of Canadian industry. The manufacturers are trustees of Canadian industry, and they are heavily bonused by the tax payers. The association should not pretend to deal with problems which affect the members individually in their relations with their workers or with the public, their customers. There are manufacturers who think the present tariff high enough and others who think that reductions would bring benefits to Canada. There are manufacturers also who find it better to work with the well organized, sanely conducted, unions than to fight for the open shop. These are things which they want to work out for themselves—they do not want to have C. M. A. spokesmen dictating their trade policies or factory rules any more than they want the free trade experimenters or the forty-four hour week agitators to do so.

Canada seems to be the only country in the world to-day in which there is an intense feeling against the manufacturers. C. M. A. policies which have antagonized the workers, the farmers and consumers generally, are largely responsible. No class has done more for the upbuilding of the country than the manufacturers—no other class is so greatly misunderstood.

PUBLIC UTILITIES AND PUBLIC DEBT

THE QUESTION is being debated as to whether government or municipal debts for public ownership enterprises should be regarded on the same basis as to liability as other debts for public institutions and services which are not supposed to be self sustaining. Public ownership enthusiasts go so far as to argue that such debts should not be regarded in any sense as a liability. Of course this is unsound. However, the point is an interesting one. Undoubtedly there would be a difference in the attitude of the banker asked for a loan for a business enterprise entailing probable profits than for a loan to buy an automobile which would be a continuous bill of expense. But in which class after all, are we to place the public ownership ventures?

Certainly if the government or the municipality enters into an enterprise which shows a real profit and gives assurance that it will continue to do so, the debt so created would not be regarded by investors or investment bankers in the same category as a liability incurred in providing services which have no chance of doing so. However, on the other hand if the ventures are not paying their way and are in fact showing deficits the liability is even greater than in the case of an expenditure which may be wiped off at once and involve no further liability.

Take the City of Toronto for example. Debt for roads, parks, etc., is in one class. Debt for utilities which can show a real profit is in another. But what about debts for such ventures as the city abattoir and the civic car lines? The latter showed a deficit of $240,000 in 1920 alone. These are debts for public utilities which do not show a profit but continue to pile up losses.

Or take the province of Ontario. Public ownership enthusiasts are arguing that Hydro ventures should not be classed with undertakings which are a dead loss. At the same time Premier Drury is pointing out that the province is paying out at the rate of over $260,000 a year for interest alone on the Nipigon development above gross income while it is generally recognized that Chippawa has cost many millions more than can ever be successfully capitalized on the basis of revenue if Ontario is to compete with the efficient private power developments in Quebec. The Shawinigan Company is taking delivery of new power this year at $12 per h. p. This is a fraction of what Nipigon power is costing and of what Chippawa must cost on the basis of investment. At the same time Ontario loses hundreds of thousands every year because public ownership enterprises pay no taxes and no rentals for the public resources which they are using.

SHEFFIELD GOING STRONGER THAN EVER

WHITING WILLIAMS, who arrived in England a couple of years ago for the purpose of studying industrial conditions, has written an interesting book detailing his experiences and conclusions. As far as labor is concerned he says two or three strongly held ideas emerge: one is that employers are making a lot of money; another is the fear of increased production; and a third the firm belief in education. All were inspired by foreign propaganda.

He has no sympathy for those who take a pessimistic vew of the future of British industry. For example, he says:

"For years and years visitors here from America and the continent have figured that Sheffield, with its old dark factories and its old hand processes, would last about three months longer in competition with the cutlery manufacturers of the rest of the world. Well, I've been here a long time, and as near as I can make out Sheffield's old industries are going just a little stronger than ever."

HOW JACOB SCHIFF INVESTED HIS MONEY

SCHEDULES of the estate of the late Jacob H. Schiff, submitted to the New York Taxation Commission declare a value of over $35,000,000, although at the time of his death his estate was estimated at $40,000,000 to $50,000,000. It is interesting to note that the major part of his estate, $25,633,574, was in securities and only $1,115,000 in real estate and that his interest in his banking firm, Kuhn, Loeb & Co., of which he was head, was worth $6,222,990. This was made up of his capital account of $5,500,000, and interest on 22½% of undistributed profits amounting to $658,060. It was the custom for the members of this firm—his son, Mortimer L. Schiff, his son-in-law, Felix M. Warburg, and Otto H. Kahn,—to have their interest in it in capital or the equivalent of capital, always available.

Mr. Schiff's estate shows an item of $10,000,000 in city securities and certificates of indebtedness. His next largest investment in securities of any one class consisted of $6,395,970 Victory notes. Outside of Government securities, his largest investment was $765,000 in Missouri Pacific bonds.

SPECULATORS IN GERMAN MARKS FED EUROPE

THOSE who are tempted from time to time to "invest" in German marks or other European currencies as the royal road to fortune, can do no better than consider the millions of dollars that have already been lost by American and Canadian speculators since the end of the war. Professor John Maynard Keynes, in his new book, "A revision of the Treaty," estimates that speculators in German marks have placed between $800,000,000 and $1,000,000,000 of foreign currency at the disposal of Germany in two years. Altogether, close to $2,000,000,000 has been loaned to Europe by the United States and, fortunately for Europe most of this was by way of speculative purchases of depreciated paper securities. "From 1919 to 1921 the losses of American speculators fed Europe" is the amazing claim of Prof. Keynes, and the claim on analysis seems as reasonable as it is surprising at first blush.

"But the mark will come back and we will more than recoup for our present losses," is the answer of the speculator. Let him study the situation. Germany's present currency system may have to be abolished in its entirety. Repudiation is not entirely out of the question. As Professor Keynes points out there are but two possible ends to the currency problems of Germany. If exchange depreciation continues and the internal price level becomes adjusted to it the resulting redistribution of wealth between different classes of the community will amount to a social catastrophe. On the other hand if there is a recovery in exchange, the cessation of the existing artifical stimulus to industry and the stock exchange boom might lead to financial catastrophe.

EDITORIAL NOTES

THE BRICKLAYERS' UNION of Altoona, Pa., refused to listen to Communist propaganda and voted a voluntary reduction in wages, beginning at once, from $1.15 an hour to $1.00, believing that that would be more likely to bring employment than the amendment of war scale.

* * * *

WITH CALM assurance the public ownership enthusiasts declare that "not one dollar of the expenditure will be met by taxes taken from the pockets of the people of Ontario outside of the Hydro zone." Sounds like the kind of promises made by Sir Francis Hincks regarding the Municipal Loan Fund.

* * * *

A TORONTO man has been mulcted of $3,900 by the old money-press swindle—blank paper and money go into the press and are supposed to come out alike, but the machines are changed in the process and the real money disappears. And yet there are many who think that by passing Blue Sky laws the people can be prevented from losing their own money.

* * * *

THOSE WHO LAST week heard the addresses on immigration by Hon. Clifford Sifton and Professor Fay of Toronto University were able to compare the practical methods of the successful executive and the theories of the academician. From the one they heard of the real difficulties which have been overcome and which must again be overcome; from the other they heard how simple the whole problem is after all. One approached his subject with respect engendered by experience; the other with the courage inspired by ignorance.

* * *

"IT IS THE CLASSES, not the masses, that are poor," says Paul Clay in Forbes Magazine. "The war tended to wipe out personal fortunes and lodge wealth in new hands. At present it is easier to sell 2,000 pairs of silk stockings than it is to sell 2,000 pounds of iron. Our industrial, rather than our agricultural, sections are likely to get the cream of 1922 prosperity. Prominent among the prosperous industries are boots and shoes, hides and leather, cotton and woolen mills, wholesale and retail grocery concerns, tobacco manufacturers, dealers in raw silk, department stores, gas and electric lighting companies, and dealers in meats, coal, gasoline, and jewelry. Almost anything that goes into personal consumption is either prospering now or on the straight road to prosperity."

Sifton's Immigration Policy For Canada

The Man Who Knows the Problem Better Than Any Other Canadian Gives Practical Pointers From His Experiences as Minister of the Interior

There is no more important question before Canada than immigration. That is paticularly appreciated by the business men of the country. And it is because The Financial Post believes that the views of Sir Clifford Sifton as expressed before the Toronto Board of Trade last week embrace a real immigration policy for Canada that special arrangements have been made to present his address in full. Sir Clifford said:

For some years past I have abandoned the bad practice of making speeches, and it has become a very infrequent performance for me, but as you have done me the compliment of asking me to come here and give you my opinion about this very important subject of immigration, I thought it was my duty to do so; and as you have asked me to express my opinions on the subject I assume that it is because you think I know something about it and I am going to pay you the compliment of saying exactly what I think, though it is possible everyone may not agree with what I say. This subject of immigration reminds one of the old saw about everyone knowing more about preaching than the preacher, and about everyone knowing more about the law than the lawyer; and everybody knowing more about running a newspaper than the editor.

When I was in charge of the work of immigration there was a certain kind of letter that I used to get about once a week. It would sometimes come from a member of parliament, though not always, and would recommend a man for a position. It would begin by reciting a number of things the man had done. It would appear he had tried fifteen different callings, and made a failure of everything, that he was on the point of starvation; and that his varied experience would qualify him for immigration work. (Laughter.) I suppose I got a thousand of them. But joking apart pretty nearly everyone thinks he understands this question and it is really a most difficult question to understand. Before you can know anything about the question of immigration in Canada you have to know the physical conditions, the conditions of life of four or five different provinces and the kind of people who are there and those who have made a success. You also have to know the national characteristics of the people you are trying to get to the country—Americans, Scandinavians, Galicians—and you have to know the complicated question of transportation and local laws and restrictions. It takes years for a man to get even a cursory knowledge of the machinery which has to be dealt with. I spent the earlier years of my life in pretty close touch with Western farmers and later on was called upon to take charge of the department of the Interior at Ottawa, and my main work was immigration. That is why, perhaps, I have a superficial knowledge at least, of the situation, and when I speak of the past, please understand that I am not doing so with any desire to thrash over old straw, but I cannot give you an understanding of my view of immigration unless I can tell you what has been done; where I think mistakes have been made; and how the past work dovetails into the work that has to be done.

Those We Have Lost.

We have had a lot of criticism during the last year or two over the fact that it is alleged that we have lost 1,800,000 people in the last ten years. My friend Mr. Meighen, amongst other things was blamed for that and the Government of Sir Robert Borden, and tariff and various other things were blamed for it. I want to say, Mr. Chairman, that I do not think the government had anything to do with it and I do not think the tariff had anything to do with it. Whilst I do not think we lost quite as many as they say, I think we should have lost them if the tariff had been twenty per cent less or if there had been a Liberal Government in power, or if there had been a Farmers' Government in power. There is a drift to the south all the time. The climate is warmer and the conditions are easier. Young people go there for adventure and other reasons; old people go their because they want a milder climate. But apart from that every man who has not the grit to fight it out in Canada goes south because conditions are easier. When we get a thousand immigrants to Canada as soon as they find it difficult to get on, a proportion of them will drift to the south. If you take the French-Canadians who go there, the old people who go there for health and the young men who go there for advancement and adventure, the remainder of the 1,800,000 were people who could not make a living here. They are no loss to us. We are better off without them. If they had been here we would have had to feed them the same as the others who were here. It is just as well to face these things in reality. They go to the root of the matter.

Quantity and Quality

Ever since I left office I have been criticized at times by people who have said "Sifton's policy was quantity not quality." That is exactly the opposite of the fact. We sought settlers from three sources. One was the United States. They did not need sifting; they were first class farmers and most desirable settlers. We sought settlers from Great Britain. We confined our efforts mostly to the north of England and Scotland and for purposes of sifting the settlers we doubled the bonuses to the agents in the north of England. The shipping people were very hostile. They did not care what kind of people they brought to Canada. All they wanted to do was to bring the people here. The arrangement we made was carried out, however, and the result was we got a steady stream of people from the north of England and from Scotland and I want to tell you they are the best settlers in the world. We got settlers from the continent. There was a very large immigration centre at Hamburg. The steamships go there to load up with these people. If you take twenty people who turn up at Hamburg and want to take passage you may have one escaped murderer, two or three wasters, two or three ne'er do wells, some poor shopkeepers, artisans or laborers and you may have one fellow who strolls in with a sheepskin coat on, a strong hearty fellow of the soil. That was the fellow we wanted. No one knew who these people were except the shipping agents. Out of these twenty men the booking office knows where everyone comes from except one or two men who have drifted in of their own accord. We arranged for the booking office to pick these people out for us and not to ship one except agriculturists. We paid five dollars for the farmer and two dollars for the other members of the family. These companies after we had discussed the matter with them formed a company called the North Atlantic Trading Company for the purpose of handling these immigrants. This company was formed at my request and suggestion by the large booking houses, which are very large and wealthy concerns in Hamburg, for the purpose of dealing direct with the Canadian Government, because they could not deal with them themselves. They were afraid of the laws of Germany in regard to the matter. There was not one-half of one per cent of the people we got from Hamburg who were not actual agriculturists and the men of the Immigration Department, who are still alive can still take you to the farms where they are.

Steamship People Hostile

The steamship companies were hostile. They did not like it. The C. P. R. steamship agents did not like it. The steamship companies were cut out; they suffered because immigration was selected. When I went out of office my successor abolished the distinction between the bonuses in the north and south of England and equalized the work all over England. He got a flood of immigration and got about three times as many as I had got. There was, however, not one in five of them who wanted to go on the land or ever did go on the land. When the political agitation was started against the North Atlantic Trading Company I think it was fomented by the steamship companies, and the government cancelled the contract. We got a wholesale arrival of all kinds of immigrants. Some of the gun men whom you are arresting here at the present time are the sons of these people who came. With every ship load that leaves Hamburg you are getting some of the off-scourings and dregs. We have them in Ottawa, Montreal, and they have been furnishing work to the police department ever since.

The situation at Hamburg is now practically the same. The peasants will come there. You can get them; it is a problem of selection. As to the question what is quality I think the stalwart peasant in a sheepskin coat, born on the soil, whose forefathers have been farmers for ten generations, with a strong wife, is quality. As to what is quantity the trade union artisan, who would not work more than eight hours a day and would not work that if he could help it, will not work on a farm and has to be fed when work is slack. I think that man is quantity. I think that is bad quantity, and I do not care whether he is British or what he is we do not want him.

It is said the problem of immigration is not at all the same as when we started to work it in 1897. I think it is just the same to all intents and purposes.

The Present Problems

There were some difficulties which existed then which do not exist now, and there are some difficulties which exist now which did not exist then. The problems are the same, the conditions are somewhat changed, but it is no more difficult now than then to adapt work to the existing condition. If I did not think the problems were the same I would not waste time in dealing with matters that are the past. The main trouble encountered in 1897 was the fact that nobody knew anything about Canada. I do not, of course, refer to educated and travelled people. They knew a little about Canada, but they did not know anything about the life of the pioneer classes. So far as actual conditions of pioneer life were concerned the class of people from whom we had to draw immigrants knew nothing about Canada. We had to send wheat to South Dakota to prove to people there that we could grow wheat in Manitoba. We had to bring people from Indiana, show them the growing wheat, get them to cut it and after it was cut get them tie a label around it and sign a statement that they had seen it cut. Look at the conditions now. There is hardly a soul in the world who has not heard of the name of Canada, and the name is favorably known. It is known to be a good country to live in, and many people all over the world look to Canada as a desirable home. As to land it is not at all true that the free land is exhausted. There is a great deal of free land yet. There is a great deal of land in British Columbia—a great deal of very good land, very much better than the people who come here have ever had in their own countries. We have the Claybelt of Northern Ontario. This is just as good country as you have here. When my grandfather came here to settle on a bush farm it was no better than the Claybelt, and you can find settlers who prefer forest land to prairie land if you go after them.

Settlers We Want

I want to express an emphatic opinion about the class of settlers we do not want. It is said there are millions of town dwellers, artisans, small shopkeepers, laborers, etc., who are anxious to come to Canada. Everyone will sympathize with their condition and desire that they should find a place where they will lead a happier life. It is said there are millions in Poland who want to come to Canada. These people are essentially town dwellers and you cannot make them anything else. We do not want them under any conditions. We know perfectly well you cannot make agriculturists of them. They come here and swell the ranks of the unemployed; they will create slums; they will never go on the land; they will never add anything to the production of the country; and it will be the most fatal mistake in the world if they are allowed to come to Canada at the present time. There is talk about getting people from the manufacturing towns in England and Scotland. We do not want mechanics from the Clyde, turbulent riotous and with an insatiable appetite for whiskey. We do not want artisans from the southern English towns who know absolutely nothing about farming. There is nothing in these schemes suggested for educating them and making farmers of them and then bringing them out to fight the battles of the pioneer's life. Take a bookkeeper say from Liverpool and bring him out and put him in a shanty near Prince Albert. Leave him there for a winter.

(Continued on page 15)

PERSONALS

JOHN McNEIL, who was recently appointed a superviser of the Imperial Bank, entered the service of the bank as a junior clerk, at Yonge and Queen streets branch in June, 1908. He has occupied several positions since that date and for the past few years has been inspector at head office.

H. C. HOUSTON, recently appointed supervisor of the Imperial Bank of Canada, entered the service of the bank as a junior at Portage la Prairie, Man., in March, 1897. He has since then occupied the position of manager at sundry branches and since June, 1913, has been manager of the King and Spadina branch.

E. K. BOULTBEE, recently appointed supervisor of the Imperial Bank, entered the employ of the bank as a junior at Welland, Ontario, in July, 1890; he has managed various branches of the bank and from November, 1908, to February, 1917, was manager of the bank's main office at Sault Ste. Marie, when he was transferred to head office as inspector. Since June last he has acted as Eastern superintendent.

COL. B. A. WESTON, who was appointed a director of the Eastern Trust Company at the annual meeting, has served for a number of years as general manager of that company. It was he who was chiefly instrumental in organizing it twenty-nine years ago. Col. Weston, previous to that, graduated from the Law Faculty of Harvard University. He is also a director of the Royal Exchange Assurance Company.

OTTO R. SHARP, who has been appointed assistant general manager of the Bank of Montreal, has had a wide experience with this bank, having entered it at Halifax in 1899 when he was only sixteen years of age. Among the junior offices he held was Winnipeg and other Western points for a period of five years. On his return to Eastern Canada he was appointed to the position of assistant manager at Quebec and afterwards was chosen as inspector. Two years prior to 1914 he spent as manager of the bank's branch in Mexico City. He was recalled to Montreal to take over the duties of secretary of the bank and was afterwards promoted to the position of assistant to the general manager, to leave which he became assistant general manager.

H. B. HOUSSER, who has been appointed a director on the Board of the Canada Foundry & Forgings Co., is the senior member of Housser, Wood and Co. Mr. Housser was born in Winnipeg in 1885 and after being educated at St. Andrews College and University of Toronto, joined the Massey-Harris Company, as assistant to the sales manager, remaining here until 1908. For the next three years he was associated with the Marine Signal Company of Ottawa. Leaving this firm he became Toronto manager of the James MacKay Co., and later manager of the bond department of Aemilius Jarvis Company. In 1917 he gave up this position to go into business for himself and was later joined by Mr. Wood to form the present company. Mr. Housser is also director of the Delaney Foundry and Forging Company, and for two years an executive of the Bond Dealers' Association.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

COPELAND FLOUR MILLS

Reader, New Liskeard.—Do you consider Copeland Flour Mills at all in the light of a business man's investment with a reasonable safety in the preferred and continuous dividends, and at least a chance for appreciation in the common and dividend payments if held?

We do not think we could give a much better definition of the Copeland Flour Mills offering from the investors standpoint than you yourself have outlined. We would regard it as a business man's investment with a reasonable margin of safety for the preferred and dividends reasonably guaranteed with a very fair chance for appreciation on the common and dividends later.

CANADIAN CONVERTERS

L., Montreal.—I am considering purchasing Canadian Converters common at market. Shall appreciate if you will advise me if you consider this a safe investment.

There are very few common stocks that we could recommend as a "safe investment," as we could in the case of a number of bonds and some preferred stocks. At the same time this company appears to be in a pretty fair position so far as business goes, its inventories have been well written down, and its financial position is strong. Most of the textile companies are doing well and unless unusual conditions arise we look to this company to continue paying its common dividend and to be a reasonably safe purchase.

BRIDGE RIVER TIMBER CO.

T., New Liskeard, Ont.—Do you consider Bridge River Timber Co. an out and out speculation, with the odds against either safety in the preferred, and value in the common?

We must consider Bridge Timber Co. preferred stock as of a speculative nature partly because it is a new enterprise and partly because no one can estimate at all accurately what conditions will be in the lumber business for the next few years. On this account it would be idle for us to venture an opinion as to whether "the odds are against" or for safety in the preferred or value in the common. It is difficult enough to form an opinion on the future value of common stocks these days even where the business concerned has been established for years and has passed through good and bad periods. Bridge River preferred must be considered as a speculative rather than a "safe investment" character, and while it has several favorable features we would not care to go beyond this in an opinion.

CANADA STEAMSHIPS DEBENTURES

L., Montreal.—I am a debenture holder of Canada Steamship Lines, bought at 78. Would you advise holding this to see if it recovers, or sell out and take loss now.

It is a little difficult to advise you on this point until we learn just what re-organization is likely to be carried out in connection with this Company. Several aspects of this are taken up in this issue of THE FINANCIAL POST. On the whole we feel that you would be well advised to retain these debentures as we feel certain the Board of the Company must be changed materially and strengthened, while a successful flotation, of bonds would improve the prospects for the Company.

QUEBEC RAILWAY

B., Weyburn, Sask.—Would you kindly give me any information you might possess on Quebec Railway stock? I notice that this stock has been quoted around 22.50 lately. As a "gamble" in stocks, as it were, do you think one would stand a chance to get a good return on his money providing he were willing to wait? Have they paid all dividends, and what rate? What has been the highest price for this stock during the past few years?

If you ask about this as a "gamble" we certainly think you stand a chance to see a fairly good advance in the stock in the next couple of years. We would not by any means call it an "investment." It has never paid a dividend and the report of a year ago showed a deficit of $45,000. The report for the last eighteen months will be issued in a couple of weeks, and will show a fair surplus. Generally speaking, we feel that the position of the company has improved considerably in the last couple of years, as it has disposed of a couple of steam roads, and has a higher rate for its gas and power and also for its street railway fares.

The high and low prices of this stock have been as follows:

1916	high 45	low 13½
1917	high 35	low 14
1918	high 21¾	low 15
1919	high 30½	low 16½
1920	high 36¾	low 18⅝
1921	high 29⅝	low 22

STEAMSHIPS PREFERRED

M., Ayr, Ont.—Being a reader of your paper. I notice you have had several paragraphs devoted to their affairs of late. I may say I hold ten shares of Steamships Preferred. for which I paid about 79 per share. Please advise me by return mail if in your opinion it would be better for me to sell and take the loss now or hold on for a while yet. There is no financial reason why I should sell, but if all the reports I see are true, the directors are apparently out for themselves in which case the company is bound to go into liquidation with the natural result, "that the preferred would be worth little or nothing." Please advise me what is your opinion and the probability of it going into liquidation.

We do not think there is a chance of this company going into liquidation. If the present effort to finance it fails it is probable that there will be a drastic change in the board and the management, and that other groups will provide the necessary funds. Even if the present houses who are negotiating for the $8,000,000 issue decide to underwrite it, it is likely a good many of the present board will be removed in an effort to satisfy the strong public sentiment that exists against the present group. The market price today has pretty well discounted any temporary passing of the dividend on the preferred stock.

We are hopeful that in the near future such changes will be brought about as will interrupt the close relations that many believe now exist between sellers of vessels, etc., and the company as a purchaser.

FOUR SUGGESTIONS

F., Prescott, Ont.—If it is not too much trouble would you people kindly state which stock company you would prefer as an investment, as follows: Asbestos pref.; Can. Converters; Lyall Construction; Maple Leaf Milling, com. These stocks all give a high yield per cent dividend. Kindly give me what information and your choice of those four. Kindly give their present conditions as to business. I certainly value THE FINANCIAL POST very much.

Of the four we prefer "Asbestos" as a preferred stock, rather than any one of the common stocks in the rest of the list. Asbestos preferred is in a strong financial position as the result of excellent profits the last few years. At the moment export business is not good but should improve with other exports increasing. The Province of Quebec contains over 80 per cent. of the known deposits of asbestos and there would appear to be a permanent market for the Company's product.

We believe that "Canadian Converters" is in an excellent condition and its dividend seems pretty well assured. The directors wisely wrote down their inventories last year and took their losses. The company has good business connections and is well managed. Nearly every common stock, however, has more or less of a speculative element about it, and that is why we gave precedence to Asbestos preferred.

As to "Lyall Construction" we would not advise you to touch it under any consideration. Apart altogether from the uncertainty in building conditions there have been several instances of sharp advances and slumps on the stock market, such as at the time of the "Lyall Motor," and the recent cut in the dividend rate from 8 to 4 per cent., where the movements have hardly received satisfactory explanations.

"Maple Leaf Milling" common is a security of a successful company and one whose success we look on as well assured. Export business in flour seems to be improving. As a common stock, of course, this contains the speculative risk mentioned before.

Suggested Remedies to Cure The Agricultural Depression

Limitation of Acreage—Tariff Protection—Credits and Loans Lower Retail Prices, etc., in Program Presented to Harding

By AGNES C. LAUT.

"When you come to the remedies suggested by the financial farm experts to President Harding, to put Farming back on a prosperous basis, they are to the point and most drastic. The farmers certainly know what they are talking about. Please note—they are not opinions. They are consensus of judgments given by the financial farm experts; and some of these men are such authorities in this field, that they are the advisers of the largest financial corporations in the United States. King is an example of this, an authority as reliable as Babson, or Moody.

(1) Limitation of acreage and decreased output by at least 15% in milk, grain, cotton. The boll weavil has already cut cotton output; and the price has accordingly jumped. The droughting out of fall wheat in the Middle West to the extent of five million acres in one state alone, and all thrugh Europe, promises to work its own remedy for wheat by November, 1922. Even Chicago is now responding to this. As to dairy products, as I am giving more fully in McLean's, the Dairymen's League could to-day make an offer for all the distributing plants of the East, but it is waiting till it can sell its surplus of condensed milk at a profit to add to its millions of cash now in reserve, so when decreased production brings the higher price bound to come—for you can't raise milk cows inside three years—the dairymen can jump in as their own distributors in an ascending scale of prices, instead of in a descending scale as at present. In other words, they are not going to buy at highest prices, when returns are lowest, but at fair prices, when returns are highest.

"What these decreases of wheat, milk, butter, cotton, portend to the consumer, unless middlemen profits are reduced—I don't need to set forth. If to the prices which have to be increased to keep the farmer going—who keeps the factory and the banks going—are added the profiteer's profits of the past few years, a lot of people who eat, will have to go hungry, or scant. If the farmer's returns are not increased, he is going to go on strike and quit. If you see any other way to restore the the balance except by knocking out the profiteer, send down your remedy to the Agricultural Conference. It is knock out the profiteer, or face a social revolution in economics, and this the farmer will never approve, woo the radicals ever so sweetly.

(2) The same tariff protection in ratio to farm products as to factory products. (Yells from the factories, who buy raw supplies from the farmer!) The exact scale suggested by the farmer is embodied in the Fordney tariff.

(3) Credits and extensions of easy loans to enable Europe to come back in the buyer's market; hence the farmers support to refunding war debts and yanking Germany to her feet as a buyer of farm output.

(4) Forced reduction of profiteering retail prices for farm output to the public, which means off with the profiteer's head, for the reason that the higher the retail price goes, the less the consumer buys from the farm.

(5) Credits for the farmer extended from six months to three years. This for the double reason it takes three years to raise beef and horses to the reproducing age, and bad grain years seldom run past three years.

(6) The discounting of farmers' warehouse receipts, notes, etc., at all Federal Reserve Banks.

(7) Sales of debentures against such receipts for three year terms. These debentures to be guaranteed.

(8) Mortgage limit by Federal Land Banks raised from $10,000 to $25,000. Compare this to Canada's Soldier Settlement prospects on long time loans of $7,500. The reason for this—it is proved that the average farm capital invested has increased to $10,000 and $25,000 in ten years.

(9) Crop insurance against, not only hail, but drought and rain, whether government insurance, or co-operative insurance, is not specified.

(10) Stringent economy cut to the bone in taxation, bonuses, government outlay, civil service, the same economy the farmer has had to practise.

(11) Freight rates to pre-war levels. The how of this brought the howls from Mr. Gompers.

(12) Stop charging more for short hauls than long hauls, as this hurts Eastern agriculture. (Cheers from the Eastern hay grower and vegetable man and apple producer! Howls from the West! After all, there is an east in Canada as well as in the United States. Niagara sit up and notice!) This move would repopulate abandoned Eastern areas.

(13) Wages must share the same deflation as farm returns have suffered. (Here, the press reports say, Mr. Gompers fainted, while a farm delegate, who cleared only $460 last year, jumped all over his map for acknowledging rail returns averaged $1,600.)

(14) Lower freight rates from the head of the lakes to the sea, in which Canadian and American farmers should jointly bear the cost of improving channels, as they will be the chief beneficiaries.

(15) Cheap, public-owned and public-operated rail terminals and cold storage warehouses.

(16) Hydro-electric currents lined to every farm en route at the same rate as to city and factory user; this because the farmer is taxed for hydro-radials.

(17) Public roads permitting motor truck freight service for the farm; for though farmers own 2,000,000 utility motors, city people over 7,000,000; and the farmer wants the motor road as his own rail route. This document—No II., Section C—recommends new highway rules of safety for the new farm railroad. (Shivers down the steam rail's spine! I have for a week each day travelled a four-track system that parallels a motor highway. It is mid-winter, and the snow is six inches deep. It takes eleven through passengers to pay the overhead of each train on this line. I was in the through local in each case. It has averaged three passengers a day. The fare used to be $2.98 to and from New York. It is now $5.97 to $6.30. The conductors and brakemen both said to me each day: "Bless you for taking a train! We don't know what we are going to do, if traffic does not pick up. If the motors are doing this in winter, when going is bad, what will they do in summer, when the roads are perfect?" I said: "Why don't you reduce fares?" They said: "We'll have to, or lay off more trains." I said: "Are you making more on big wages and cut time than you did on the old wages and full time?" They answered: "We are going behind, just as our traffic is." I am not setting down opinions. I am setting down facts.)

(18) Tariffs must be removed from the domain of party platforms and put on a scientific basis of a mathematically exact permanent board. (This section would take a book in itself. Both parties in Washington are reported to have called the Farmers' Bloc—"blockheads" for this. I have no opinion. Both parties were grieved—they saw the skids going out from under them.)

(19) The building up of industrial cities in the farm centres to consume farm products at home. (Mr. Crerar will please not whoop when he reads this.)

"There follow special recommendations for farm directors in banks, on market prices in daily letters to the farmer, on market letters on the legitimate prices for machinery, cooperative marketing of all farm products, legal action in rejection of farm shipments sold, with freight charged back to the farmer, the packing industry, dealing in grain futures.

"Any one of these detailed reports would fill one issue of THE POST. The data behind them are the best compendium ever produced on farming.

"But one of the most important recommendations, which is already in process of adoption, I would like to put in italics and then in capitals, and then in red. I have been pleading for it for Canada for two years. I have been told that it was 'impossible,' that it was 'impracticable,' that it was 'an insult to Canadian intelligence,' that it 'presupposed Canadian business men and exporters were a lot of idiots.' Here it is—and it is being put in effect now in the United States—that in every **American embassy, legation, consular office in the world, from Mozambique to Patagonia, shall be stationed an agricultural attache, (1) to report on costs of production, output and prices in the foreign country of all farm products; (2) to scour the foreign country for sales of American farm products and to look after freights, tariffs, re-shipments inland and payments for the same.**

"Please re-read that.

"If the United States, which consumes 90% of all raised in the country, needs such a foreign outlet to help the American farmer back to prosperity, does not Canada need the same help to a foreign outlet, when she seldom uses more than a fourth of her farm output? Canada uses in good years, 7 bushels per head to the U.S. use of 6.9 in good years. Her population of 8,500,000 would therefore use 59,500,000 bushels, which is about a fourth her annual output.

"If my plea for Canadian farmers has been 'impracticable,' 'impossible' and 'an insult,' what is this plea for the American farmer, which is being put in effect by three great departments of the American Government—Commerce and Labor, Agriculture, and the Department of State?

"Again, I say—please re-read that recommendation.

"Taken all in all, though it did not make so much noise, I look to see the American Conference accomplish bigger things to reconstruct a new world than the Armament Conference or League of Nations; and neither Wilson, the Democrat, Mr. Harding, the Republican, is the hero of this conference. The hero of this conference is the horny handed son of soil, who sat him down to stabilize a rocking world."

Reaping the Whirlwind

Montreal Star

The likelihood of the passing of the preferred dividend of Canada Steamships, which took place Saturday, has been discussed in the Street so long that the action of the board in confirming the market's belief that it would have to cease for the time being passed off without much comment. It is now regarded as one incidental to developments of a larger nature involved in the bond underwriting project which is now about to culminate in a decision.

It will be remembered that a year ago, when the continuance of the preferred dividend was questioned a couple of committees were actively engaged in preparations with a view to demanding an investigation into the company affairs and charges that insiders had used their positions to profit personally.

It was eventually decided that so long as the dividend was paid nothing would be done. Now that the dividend has been deferred there is talk of the investigation committees coming into action again.

The management of Steamships has been involved in criticism ever since James Carruthers, the former president, and J. C. Newman, retired some years ago from the board as a protest against practices which they considered prejudicial to the interests of the shareholders, but more particularly the preferred.

The financial necessities of the company having lately forced it into the money market, events have culminated rapidly, but there is a long story of exceptional interest to be written about the various events since the company was re-organized, merged with some interests and later acquired others.

The mills of the gods grind slowly, but they grind exceeding fine; and this seems to be about what has happened in the case of Steamships. If the present bond underwriting goes through it is expected to involve a complete change in the board. What may happen after that is one of the questions which the Street is discussing with considerable interest.

Interesting chapters might commence with the beginning of the new company. It ran into foul business weather and could not pay its preferred dividend. Then came the war and its extraordinary profits, the payment of preferred arrears and the commencement of a dividend on the common.

Next came the extraordinary expansion of the business in various ways, and the embarking on side lines which afterwards proved to be costly. Then the company began to acquire a number of properties in anticipation of being taken into the British Empire Steel aggregation with guaranteed dividends not only on the preferred but the common as well.

The bursting of that bubble is remembered but in the meantime many people had been allured by the exciting prospects of such an event and invested in the shares. Heavy losses have occurred on that account. A variety of events led to scarcity of working capital and the decision of the company to capitalize its free assets. Local effort to place these bonds failed and outside assistance had to be sought. All that this implies has now taken place, and the market is reaping the whirlwind.

The Street cannot forget that time after time when the continuance of the preferred dividend was in doubt repeated assurances were given the shareholders by the chief executive that there was nothing in the position of the company to warrant such doubt.

Announcement is made that the partnership of Truax, Higgins & Co. has been mutually dissolved. H. W. Higgins announces that he will continue business under the name of Higgins & Co. The new firm includes C. Curtis Higgins also.

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NEWS OF THE BOND MARKET

CALLINGS FOR BIDS SETS PRECEDENT IN C.N.R. FINANCE

New Minister of Finance Departed From Old Custom

The Hon. Mr. Fielding negotiated Canadian Northern Railway loan in New York during the past week but there were some changes in the plans as originally forecast in THE FINANCIAL POST. Instead of selling $25,000,000, the minister borrowed only $11,000,000, sufficient for immediate refunding needs and he issued short term notes, bearing five per cent. interest and maturing in three years.

A departure from all precedent in selling C. N. R. issues was the calling for tenders from a number of bond houses in the past, Dillon, Read & Co. have had a practical monopoly of C. N. R. financing acting virtually as fiscal agents for the road. Now that the line is owned by the government strong representations have been made by certain Canadian houses, acting for New York institutions, to have the issues sold by tender. A modified system of tendering was ad pted and a good price was received —99.03 or a basis of 5.35 per cent. The notes were subsequently offered by the purchasing syndicate—Dillon, Read & Co., National City Co., Guaranty Company and Lee, Higinson & Co. at 99.625, a 5.15 per cent. basis.

Municipal Bond Sales Recorded In Past Week

St. Andrews, Man., has disposed of $85.751 of 5½ per cent. bonds, due 1941-1949 to Wood, Gundy & Co., at 98.61, a 5.60 cost basis. The bonds are guaranteed by the province of Manitoba. Bids were:

Wood, Gundy & Co.	98.61
Gairdner, Clarke & Co.	98.53
A. E. Ames & Co.	98.33
Bond Debenture Corp.	98.33
MacNeill, Graham & Co.	98.23
R. C. Matthews & Co.	98.22
Mackay-Mackay	98.
Canada Bond Corp.	97.87

Township of Etobicoke

Dyment, Anderson and Co. have bought $15,000 of 6 per cent. 30 installment debentures from the township of Etobicoke at 103.37, the money costing the township 5.69 per cent. Tenders:

Dyment, Anderson & Co.	103.37
R. C. Matthews & Co.	99.76
Bell, Gouinlock & Co.	103.
W. A. Mackenzie & Co.	102.749
Mackay-Mackay	102.50

York Township on 5.90 Basis

Township of York bonds to the amount of $141,355 have been sold to A. Jarvis & Co., at a price that figures out as a 5.90 basis. The bonds bear 6 per cent., and are repayable in 10 instalments. Tenders:

A. Jarvis & Co.	100.53
C. R. Clapp & Co.	100.44
Wood, Gundy & Co.	100.29
Dominion Securities Corp.	100.21
R. C. Matthews & Co.	99.76
McLeod, Young, Weir & Co.	99.67
C. H. Burgess & Co.	99.662

Hull Sells Big Block

Greenshields & Co., Montreal and H. C. Monk, Ottawa, purchased city of Hull's block of $130,700 of bonds. All bear 6 per cent. interest and of the total $107,000 mature in 1941, $21,500 in 1951, and $2,200 in 1928. The high bid was 102.32, a 5.80 per cent. basis. The tenders were:

Greenshields & Co. and H. C. Monk		102.32
C. H. Burgess & Co.		101.33
A. Jarvis & Co.		101.175
McLeod, Young, Weir & Co.		101.166
Hanson Bros		100.61
A. E. Ames & Co.		99.53
Versailles, Viducaire & Boulais		99.50
Banque Provinciale		99.115
Wood, Gundy & Co.		99.08
Houser, Wood & Co.		98.57
Royal Securities Corp.		98.477
Rene T. Leclerc		98.38
Newman, Liviezey & Co.,	1941	101.141
	1951	101.382
	1928	100.25
R. C. Matthews & Co. (Not accepted because irregular)		102.91

Hamilton Firm to Fore

Toronto Township has sold $67,000 of 20 year, 6 per cent. bonds at 103.05 to Zimmerman and Malloch, A second block of $6,000 of 6 per cent. 10 year bonds was sold locally of Hamilton. This is a 53.73 basis. at par.

Separate School Issue

Toronto separate schools sold $500,000 of 5½ per cent. twenty year bonds to Wood, Gundy & Co. at 97.578, a 5.70 basis. Tenders:

Wood, Gundy & Co.	97.578
National City Co.	97.29
Gairdner, Clarke & Co.	96.881
Dyment, Anderson & Co.	96.881
Dominion Securities Corp.	96.81
A. E. Ames & Co.	96.699

Howard Smith Paper Bonds Offered by A. E. Ames & Co.

A. E. Ames & Co., are offering $400,000 of 7 per cent. first refunding mortgage bonds of the Howard Smith Paper Mills, Ltd. The bonds mature in twenty years and are offered to yield about 7½ per cent. This issue is part of an authorized block of $7,000,000 of which $3,500,000 is outstanding.

MONTREAL LOAN FOR BURNT CITY HALL

Legislature Will Be Asked to Permit Bond Issue to Cover Cost of New One

From Our Own Correspondent

MONTREAL.—The destruction of the City Hall of Montreal, with practically no insurance, has left the city in a quandary in making plans for a new structure in place of the old fashioned and inconvenient office building that existed before. The Council decided this week to ask authority of the Quebec Legislature to borrow $3,000,000 for this purpose without the approval of the ratepayers. In order to provide funds for the payment of interest and sinking fund charges a special tax levy on property is proposed. The resolution dealing with the new loan declares that it should be for a term not to exceed 40 years, by means of bonds or registered stock, and shall not form part of the consolidated debt of the city.

There has been considerable comment in insurance circles at the failure of the civic authorities to cover a large portion of the value of the building by fire policies as is done in the majority of municipalities, according to the fire insurance representatives.

BOND HOUSES TRAIN THEIR JUNIOR MEN

Lessons in Accountancy and Investment Problems For Rising Bond Experts

There is a class held in Toronto each week, attended by younger members of the staff of a number of bond houses, in which the fundamentals of bonds and the kindred accounting problems are taught. The class was organized in connection with educational work of the Y. M. C. A. on the suggestion of several bond men and has been instrumental in teaching some thirty young men more about investment, making them better able to serve their houses. Problems of investment accountancy are receiving the chief attention and at each weekly class an address is heard by some leading student of bonds, some of the speakers to date being Walter L. McKinnon, of W. L. McKinnon and Co., E. G. Long, expert in municipal law and C. F. Fell, statistical officer of the Dominion Securities Corporation.

Other investment houses in Toronto which have not been associated with this work have undertaken on their own behalf to train their junior employees according to carefully drawn up plans in order that they may be more than bookkeepers, salesmen, or clerks but rather students of bonds. Wood, Gundy & Co. have such a school and the Canada Bond Corporation is carrying out similar work on somewhat different lines.

"Unemployed" Money Is Stimulus to Bond Prices

Among the "unemployed" of Canada, unemployed money occupies a predominant position. It requires far less capital to operate commerce and industry in a time of quiet than it does in a period of expansion and prosperity, just as it requires far fewer workers to run a factory when orders are scarce than when the sales manager has to hide to keep purchasers from handing him too many orders.

"Unemployed" working capital seeking investment during the readjustment period is reason for rising bond prices and lower interest rates. Bond dealers are still getting large blocks of money to invest for clients—individuals or institutions—who would ordinarily have the funds tied up in stocks or commercial loans. This surplus of working capital is likely to be extended and undoubtedly a good investment demand may be expected from this source for some time to come, providing continued stimulus to the investment market.

NEW YORK ABSORBS MANITOBA'S BONDS

Provincial Treasurer Says No Income Tax On Manitoba Bonds

The American market will supply the funds for the latest Canadian provincial loan. Manitoba has sold $2,250,000 of 5½% 20 year bonds to A. Jarvis & Co., Blair & Co., and Kimball, Kinnicut and Co. The bonds are payable in New York and the price received was 104.54. Alternative bids were asked for bonds payable in New York or Canada and bids received were:

	Payable New York. 20-yr. 5½%.	5-yr. 6%
Aemilius Jarvis & Co., Blair & Co., Kissell, Kinnicutt & Co.	104.54	103.72
Dominion Securities Corp., Harris, Forbes &Co.	103.77	104.391
Wood, Gundy & Co., Guaranty Trust Co., Blyth, Witter & Co.	104.43	104.33
Canada Bond Co., Hayden, Stone & Co., White, Weld & Co., Equitable Trust Co., W. R. Crompton	103.364	104.396
A. E. Ames & Co., National City Co., E. H. Rollins & Sons, Bankers' Trust	103.17	103.89
R. A. Daly & Co., Lee, Higginson & Co., Spencer, Trask & Co.	103.50	103.17
R. C. Matthews & Co., Halsey, Stuart & Co., First National		

20 Year 5½% Payable Canada

A. E. Ames & Co., A. Jarvis & Co., National City Co.	99.569
Canada Bond Corp.	99.06
Wood, Gundy & Co.	98.928
R. A. Daly & Co., R. C. Matthews & Co., McLeod, Young, Weir & Co., Hanson Bros. and Gairdner, Clarke & Co.	98.887

The Provincial treasurer of Manitoba, stated that it was not the intention of the government to levy income tax on the interest from the province's bonds.

Canadian 5% Bonds Move To Par In New York

From Our Own Correspondent

NEW YORK.—For the first time this year Dominion of Canada 5's of 1926 sold at par on Friday last. This was due apparently to the improvemen in Canadian exchange, from the Canadian point of view, and partly to the fact that a new Canadian Government loan is benig discussed. The Dominion 5's of 1931 are also being accumulated.

A Note For The Buyer Of Bonds At a Premium

Declining interest rates have put many bonds at a premium and to those desiring a large income in cash, the small additional payment necessary to obtain 6% coupon bonds is amply repaid by the increased annual or semi-annual cash return. For example, the ultimate yield from an investment in a 15 year 6% coupon bond costing 104.02 is the same as the ultimate yield from a 5½% coupon bond costing only 98.99. The difference is that during each of the 15 years the purchaser of the 6% bond receives a higher interest return in actual cash than does the purchaser of a 5½% bond. To offset this difference the purchaser of the 5½% bond receives at maturity an amount slightly more than he paid for his bond, while the purchaser of a 6% bond receives slightly less.

The above is a paragraph from a Wood, Gundy & Co. circular. It gives a simple explanation of a feature of many present bond offerings that may worry some investors. Of course, the investor who buys a premium bond must differentiate between his interest payments and his actual income yield. A portion of his payments is really return of principal.

Regina School Cost

From Our Own Correspondent

REGINA.—Education will cost the City of Regina approximately half a million dollars in 1922. School teachers' salaries are estimated at $237,000 and supervisors' salaries $33,000 for the present year. There will be no new buildings constructed according to present estimates.

BOND MOVEMENTS OF THE WEEK

Latest Price Week Ending Mar. 7

BONDS—	Int. Rate.	Due. Year.	Yield.	Range High.	1921. Low.	Range 1922. High.	Low.	Ask.	Bid.	High.	Low
Asbestos	5	1942	6.75	80	73	100	79½	—	80	100	80¼
Can. Bread	6	1941	6.68	90½	82	93	88½	93½	92½	92½	—
Can. Car	6	1939	6.32	98	97½	97¾	95	—	95	96½	—
Can. Locomotive	6	1951	6.78	90	82	94	87	—	92	90	—
Dom. Coal	5	1940	5.63	92⅝	86	92½	92	—	91	92½	—
Dom. Iron	5	1929	7.32	83	75	87¼	82½	87	85	87	86
Lyall Cons.	6	1932	9.45	83	68	79	75	75	—	75	—
Montreal May. '23	6	1923	5.45	108	100	103½	100	101	—	101	—
Do., Sep. '23	6	1923	7.35	100	97¾	100	97½	—	99¼	100	97½
Nat. Breweries	6	1939	6.27	98	90	97	97	—	95	97	—
Ogilvie Flour	6	1932	5.85	100	92¼	101¼	101	—	100	101	—
Price	5	1940	6.26	84	78	86	85	—	85½	86	85
Quebec Rly	5	1939	8.68	68	59	66½	63½	—	65½	65¾	65¼
Rio	5	1935	6.65	84¼	73	85⅝	73	—	85½	85⅛	84½
Sterling Coal	6	1940	7.48	85	85	85	85	—	85	85	—
Steel of Can.	6	1940	6.23	98¼	88½	99	97	99	98	98¼	97½
Wayagamack	6	1951	8.22	78¼	69½	76	71¾	—	74	74	72
War Loan .....(1925	5	1925	5.70	96.00	92.00	98.50	96.10	97.75	.....	97.75	97.50
Do., (1931)	5	1931	5.32	96.60	90.05	98.80	96.25	98.00	97.50	98.00	97.50
Do., (1937)	5	1937	4.95	102.50	94.50	101.25	99.50	.....	100.50	100.85	99.50
Victory (1922)	5½	1922	5.70	99.55	96.62	99.95	99.10	99.80	99.75	99.80	99.50
Do., (1923)	5½	1923	5.60	99.50	95.50	99.98	98.75	99.80	99.70	99.80	99.45
Do. ,(1924)	5½	1924	5.70	98.50	94.25	99.90	98.00	.....	99.45	99.90	99.20
Do., (1927)	5½	1927	5.35	101.00	95.25	102.70	99.75	101.00	100.75	102.70	100.65
Do. ,(1933)	5½	1933	5.20	101.80	95.12	103.10	101.25	102.70	102.60	102.80	102.25
Do., (1934)	5½	1934	5.51	99.48	92.25	100.00	98.30	99.90	99.85	100.00	99.70
Do., (1931)	5	1931	5.32	96.60	96.50	105.15	103.30	104.90	104.85	105.00	104.60

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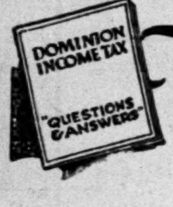

Your Income Tax

We have just issued a booklet—

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CIVIC AND PROVINCIAL FINANCE

FINANCIAL HOUSES AND RETAILERS TO FEEL LEGISLATION

If Assessment Act Amendment Passes, They Will Be Affected

Ontario's assessment act has undergone revision in each of the past few years and will probably be amended again at the present session of the legislature. The chief amendments have been in the direction of making the income feature of municipal taxation more easily operative.

The most important amendment came two years ago when the exemption from income tax that had existed in the case of dividends from mercantile manufacturing institutions since 1904 was deleted and all interest payments and dividends of any nature from incorporated companies, banks, railways, etc., were made liable to assessment and taxation. Last year an amendment was put through providing that agents and guardians could be required to file returns of income received by them on behalf of any other person.

This year other legislation is being sought to make the income tax provisions even more drastic. If the amendments go through every person or partnership now paying business tax will be required to pay the mill rate on the amount by which his income exceeds his business assessment.

Such a provision now applies to a score of many specified businesses and professions and the businesses that will feel the new legislation most directly if it goes through will be unincorporated financial firms—bond houses, for instance—and unincorporated retailers.

The legislation is asked for on the ground that these people are now escaping taxes that are now being paid directly by doctors, architects, etc., and by owners of incorporated companies through taxation of their dividends.

A bond dealer may have a net income of $50,000. His business assessment is, say, $2,000, which is a generous allowance for a bond dealer. At 30 mills his taxes are now $60. Under the new law he will pay taxes on:

		Tax at 30 mills
Net income	$50,000	
Business assessment	2,000	$60
Gross income ass't.	$48,000	
Less statutory ex.	2,000	
Allowances for four children	800	
Taxable assessment.	$45,200	$1,356
		$1,416

This is a very considerable increase in taxation—from $60 to $1,416. Retailers, and some other classes will feel the same effect.

A further amendment will be asked by the municipalities making it necessary for a person to declare his actual income for the previous year in filing his return. At present the tax is based on the estimated income for the present year. Many business men, it is claimed have made very conservative estimates of their income.

The cumulative effect of the various amendments has been to pile up the revenue from municipal income tax. In Toronto the revenue has grown to a great extent because of the strict attention to collection that has been given by the assessment department and the revenue is probably the highest proportionately of any city in the province. But with due allowance for the effect of this stricter attention and the amendments that required individuals and companies to file income and dividend returns the increased income assessment may be taken as indicating the effect of the broadening of the act.

From 1915 to 1922 the assessment of land gives 18% buildings 40% business 44%, and income more than 303%. How the city's assessment on income has grown is indicated by these figures:

1913	$15,536,743
1914	18,361,232
1915	19,085,031
1916	19,400,361
1917	20,837,702
1918	25,235,458
1919	33,611,090
1920	41,024,838
1921	51,563,448
1922	76,979,520

Summerland, B. C.—At a recent meeting of the school board a resolution was passed that the board request the municipal council to prepare and submit to the ratepayers a bylaw to raise $26,000 for school purposes.

Saskatchewan Schools Have Finance Problems

From Our Own Correspondent

REGINA.—Outstanding in the deliberations of the Saskatchewan School Trustees is the fact that many of the school districts in the province face a grave problem of finance at the present time. Boards find difficulty in carrying on because of the difficulty experienced by municipalities in making tax collections. Conditions have become so serious in some districts that the closing of schools for a period, has been found necessary.

THINKS CITIES SHOULD HELP COUNTY ROADS

Good Roads Convention of Opinion Cities Should Contribute on Equitable Basis

The share that the Ontario cities should contribute to the construction and maintenance of the provincial and county roads was brought before the good roads convention last week. It was discussed at great length and also the question of counties rebating the levy, for the provincial roads to urban municipalities. The following resolution was drawn up and is to be presented before the Legislature shortly.

Be it resolved: That the convention is of the opinion that the Government of Ontario should enact legislation, whereby cities should contribute to the cost of construction and upkeep of the provincial and county highways in suburban areas ,on an equitable basis for the said suburban centres, the radius of said suburban centres to be determined by the population.

Also be it resolved, that the convention is of the opinion that no country should be permitted to rebate more than 25 per cent of the total levy for county road purposes, for such urban municipalities.

Willison Sees Bright Outlook For Investors

"Present purchasers of long term securities will derive a far greater return than can be secured when normal rates of interest have been restored. Conditions never were so favorable for judicious investment and there is every reason, therefore, that advantage should be taken of a favorable market to make investments at rates of interest which assuredly will not be maintained over any very long period," says Sir John Willison of the Municipal Bankers' Corporation, in introducing this organization's first comprehensive investment circular. Sir John writes:

"We face probably the most remarkable expansion in the history of the continent and as we expand present burdens will be made lighter, investments in Canada will be made more secure, and the national credit will be strengthened. Even now there is not a province in the Dominion which feels any strain upon its credit, and there are very few municipalities which are not absolutely solvent."

LETTERS TO EDITOR

GRANDE PRAIRIE'S POSITION

Editor, Financial Post.

The town of Grande Prairie, Alberta, is trying to float debentures. Don't you think that intending investors would be well advised to investigate the town's financial condition?

They should enquire regarding the cost of running the town, the salaries of the staff and the amount of taxes that can be collected. The last sale of property for taxes did not prove successful. The assessment is so inflated that the largest property holders cannot meet the taxes and no one else wants to take over the liability.

Intending investors may investigate in order to avoid finding themselves in the same position as debenture holders of Swift Current. Town insolvency may be avoided by restriction of expenditure. All expenses should be kept within revenue..

TWO RATEPAYERS OF GRANDE PRAIRIE

Tenders and By-Laws

TENDERS WANTED

March 15, Penetanguishene.—$45,000 6 per cent., 20-year instalment plan debentures. W. H. Hewson, Town Clerk, (See announcement on page 16.)

Wessels School District.—$5,000, 15-instalment. J. B. Ross, Govan, Sask. (See announcement on page 16.)

March 25, Moose Jaw.—$19,099, 6 per cent., 10-year various debentures; $13,500, 6½ per cent., 30-year; $12,000 6½ per cent., 10-year. Geo. D. Mackie, City Commissioner, Moose Jaw. (See announcement on page 16.)

April 8, Wainwright.—$6,000, 6½ per cent, maturing 1929; $4,000, 15-year 7 per cent debentures. H. Y. Pawling, Sec.-Treas., Wainwright, Alta. (See announcement on page 16.)

Cayuga Ont.—$70,000 6% 20-year debentures R. S. Colter, Clerk, Village of Cayuga. (See announcement on page 16.).

MANITOBA INCOME TAX NOW CERTAIN DESPITE PROTEST

Government of That Province May Share Revenue With Municipalities

From Our Own Correspondent

WINNIPEG.—Manitoba's proposed income tax seems a certainty. For the second time Premier Norris has told a delegation of Winnipeg business men that the government refuses to withdraw its program.

Protests against a provincial tax are cropping up with vigor, and Winnipeg Board of Trade is pursuing an energetic canvass. As a result of the protest meeting of the Board of Trade this week, strenuous endeavors will be made to get the government to change its mind. Travers Sweatman, K. C., president of the Winnipeg Board of Trade in opposing passage of the proposed income tax insists that his criticism of the present government purely from a business point of view. "I am not passing upon the question of whether or not this form of taxation is a fair one," says Mr. Sweatman, "I am not at this time discussing any theory of taxation. In my opinion there is a much larger question before us and I am going to try to show that the public expenditures have reached such an amount that we are approaching bankruptcy." Mr. Sweatman has an array of figures which show that the Province of Manitoba has mortgaged its future for at least twenty-five years, and he urges strong opposition upon the levy of new taxes. He points out that the province is showing large deficits from the operation of its own telephones and Hydro Electric plants in addition to other losses. For instance the railroad building is another contributing cause for the present condition of provincial affairs, he maintains, as well as the doubling of administrative expenses during the last six or eight years.

"Retrenchment of a substantial sort—possibly cutting the present budget in half—is necessary to bring relief to Manitoba," according to Mr. Sweatman.

Others Oppose Tax

The Canadian Credit Men's Trust Association this week passed a strong resolution protesting against a provincial income tax, or, in fact, any new form of provincial taxation at the present time. When the income tax proposal was first advanced in the Manitoba legislature it was indicated that the towns and cities and various municipalities of the province would receive no share from the levy. The provincial government has, however, more recently indicated a willingness to conform to the desires of the City of Winnipeg and outside municipalities in regard to sharing up the revenue from the contemplated tax. It is left to Winnipeg and the Union of Manitoba Municipalties and the Union of Suburban Municipalities to agree on the distribution and the proportion of the revenue that the government is likely to hand over. Up to the present this is just what the city and the two union shave failed to do. The executive of the Union of Manitoba Municipalities and Winnipeg aldermen held a conference this week in an atttempt to reach a common ground but there was a very definite cleavage of view point. Members of the Union's executive indicated that they look to Winnipeg's taxable wealth for relief in their present stress.

"Bargain Hunters" Seek Bonds That Have Future

The big rise in the bond market seems to be pretty well over, much to the regret of many investors who had become so accustomed to seeing bonds sell off in price almost as soon as they were bought, that they were slow in realizing that the tide had turned. The fundamental trend of bond yields is still downward and will probably continue to be downward for a long time to come, but the day is past when one could buy almost any bond with confidence that it would show several points profit in a few weeks. Bonds are still a buy, not only for safety, but also for long-pull appreciation in value, if wisely chosen. The shrewd investor is now seeking for classes of bonds or individual issues which may have been neglected in the general rise.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
Mar. 6	St. Andrew, Man.	Wood, Gundy & Co.	5½%	28 yrs	$85,751	98.61	5.60
Mar 6	Etobicoke, Tp. Ont.	Dyment, Anderson & Co.	6%	30 in	15,000	103.37	5.67
Mar. 7	York Tp. Ont.	A. Jarvis & Co.	6%	10 in	141,355	100.53	5.90
Mar. 8	Hull, P.Q.	Zimmerman & Mallock	6%	20 yrs	130,700	102.32	5.80
Mar. 4	Toronto Tp. Ont.	Greenshields & H. C. Monk	%6	20 yrs	67,000	103.05	5.23
Mar. 4	Toronto Tp. Ont.	J. H. McKay	6%	10 yrs	6,000	par	6.00
		Wood, Gundy & Co.	5½%	20 yrs	500,000	97.578	5.70
Mar. 4	Toronto Separate Schools.	Various			64,402		
Mar. 4	Sask. Schools, etc.	C. H. Burgess & Co.	6%		20,000	98.72	6.17
Mar. 4	Nebing Tp. Ont.	Locally			8,000		
		CORPORATION					
Mar. 4	Sombra Tp. Ont.	A. E. Ames & Co.	7%	20 yrs	400,000		
Mar. 4	Howard Smith						
		RAILWAY					
Mar. 6	Canadian Northern	Dillon, Read & Co.	5%	3 yrs	11,000,000	99.03	5.35

Tax-Free Bonds vs. Taxable Bonds

Many investors of moderate income own and continue purchasing taxfree Victory Bonds, whereas they might be better off by owning taxable bonds, which sell several points lower and therefore give a better yield.

Entrust us with the facts as to your financial position and we can advise you which issue is the most suitable for your purpose. 28

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NINETEEN TWENTY-ONE—the fifty-second year in the history of the Mutual of Canada—will be ever memorable on account of the exceptional success attending the company's operations. The expense ratio decreased: the average interest rate increased, the mortality was amazingly light—three features which combined to give the policyholders surplus earnings unequalled in the experience of the company. The assets increased to $48,211,204. An amount more than sufficient by $5,790,520.70 to guarantee all claims. This surplus has been allotted to various funds, all of which are **Policyholders' Funds.** Nearly 100,000 policyholders and their families share in the $228,000,000 of protection afforded by Mutual Co-operative effort. The company is increasingly popular because it offers its policyholders "The largest amount of sound life insurance for the least possible outlay."
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Canada Permanent Mortgage Corporation.
QUARTERLY DIVIDEND

Notice is hereby given that a dividend of THREE PER CENT. for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
SATURDAY, THE FIRST DAY OF APRIL
next, to Shareholders of record at the close of business on the fifteenth day of March.
By order of the Board.

GEORGE H. SMITH,
Assistant General Manager.

Toronto, February 22nd, 1922.

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INSURANCE AND REAL ESTATE

THE PROCEDURE IN ADJUSTMENT OF FIRE LOSSES

Insurance Contract Founded on Principles of Equity and Justice

By W. H. ADAMSON, Of Adamson's Ltd., Toronto.

The principle of insurance is "indemnity against loss." It is not the property that is insured against fire, but the man who is insured against loss, through fire or by reason of fire. The contract of insurance as between the company and the assured is one of moral obligation based upon the principles of equity and justice, and all such contracts if honestly mad will have in mind the possibility of a fire rather than its probability.

All underwriting is done in the light of what might possibly happen in the event of a fire, and the risks are examined having regard to:

(1) The moral hazard.
(2) The physical hazard.
(3) The conflagration hazard.

Large mercantile and manufacturing risks are also considered with a view to the possible extent of damage that might be caused by a fire in any part of the risk, having in mind the effect of sprinkler systems, fire doors, etc.

Upon the occurrence of a fire the companies, after receiving notice of the loss, appoint an Adjuster, whose duty it is to examine the policies, see that the Assured carried out his obligation to protect the property from further damage, investigate the cause of the fire, and in the mea time prevent the removal of any debris which might throw any light upon the origin of the fire, or the value of the property destroyed.

Classes of Fire Losses

Fire losses may be roughly divided into two classes.

(1) Honest.
(2) Dishonest.

Honest losses comprise the larger proportion, though many of these are due to carelessness.

The dishonest losses can also be divided into two classes.

(1) Those deliberately planned: and

(2) Those probably of accidental origin, but terminating in a fraudulent claim upon the companies.

The question of appreciation in connection with loss adjustments as the result of soaring values during the war; and of depreciation in normal times, must be taken into consideration by the adjustor.

Smoke damages are often sentimental rather than real; and simply because the public expects a reduction in the price of goods owing to a fire in the vicinity, even if there had been smoke in the premises, does not constitute a valid claim providing the stock had not actually sustained damage.

Appraisals made before a fire by Appraisal Companies for purposes of the Assured's "Assets and Liabilities" records, are, if reliable and kept up to date, excellent things. There are several dependable firms doing this work in Canada and the United States, and their appraisals are frequently of much assistance in the adjustment of losses.

Origin of Fires Obliterated

The cause of fires in the vast majority of cases is impossible of determination, owing to the fact that before most fires are discovered all evidence that would throw any light upon their origin is obliterated.

Several specific cases of fire, however which were caught in their incipiency, were shown to have been caused by spontaneous combustion. There is one instance where a bubble in a pane of glass, (causing concentration of the suns rays), set fire to a carpet in an attic room.

Referring to instances where there was great difficulty in arriving at what is considered an equitable settlement of a loss, in the event of a purely honest difference of opinic the Adjuster should do all in his power within reason to keep the companies out of Court, and even where there is strong suspicion it is often better to make a compromise settlement than to allow the case to go to Court, owing to the fact that what seemed unimpeachable evidence at the time of investigation often breaks down under cross-examination. There are times, however, when to settle what appeared to be a dishonest claim seems almost like "compounding a felony."

THE STEEL SITUATION

From surface indications, the steel market at Pittsburg has undergone further and decided improvement. Production has reached a still higher level, production of steel ingots being at the rate of 29,000,000 tons a year, which is about a 50% gain over the rate in December and is a 25% gain over the rate in October and November, the highest rate since February, 1921. As spring has not yet arrived and as consumption naturally increases in spring, further gains in steel production would naturally be expected.

CHARTERED TRUST

Profits of the Chartered Trust and Executive Company for 1921 at $38,220 showed some increase over the $37,644 reported for 1920. Dividends took $33,782 and after adding $1,500 to reserve and providing $2,550 for taxes the balance was increased from $3,819 to $4,208. Following are comparative figures:

	1921	1920	1919
Profits . . .	$38,220	$37,644	$48,368
Bal forward.	3,820	1,183	40,665
	$42,040	$38,827	$89,033
Dividends . .	33,782	34,008	29,453
Reserve . . .	1,500	1,000	58,397
Prov for tax	2,550	.....	.....
Balance. . .	4,208	3,819	1,183
	$42,040	$38,827	$89,033

Continued expansion of the company's business is noted from the fact that total assets of $7,834,800 compare with $5,232,405 a year ago. Estates, trusts and agency accounts have increased from $4,611,354 to $6,660,714.

SHINGLE ASSOCIATION IS NOT A SUCCESS

Manufacturers of High Class Products Not Inclined to Pool Interests

From Our Own Correspondent

VICTORIA, — British Columbia shingle operators have attempted to form a new organization to virtually control the province's shingle production and export trade, particularly to the United States, but there are signs that this enterprise is not meeting with the success that was at first predicted for it.

Some of the larger shingle mills apparently object to pooling their production with smaller plants whose output may be of inferior quality and therefore endanger the reputation that has been won by the better-class mills. There is also the possibility of a difference in size of shingles produced by the various mills, and this might not be satisfactory to dealers who have grown accustomed to shingles of certain dimensions and who have been placing orders with the same mills year after year. The market is in such a condition now that mill men are reluctant to take such risks, and at present only five appear to be willing to join the new association.

WORK PROGRESSING IN ALBERTA OIL FIELDS

Owner of Leases Combine Holdings For Future Development

In less than two months the drillers of the Imperial Oil Company have reached a depth of over 2,000 feet, in a well East of Irma. Part of this work was accomplished in very cold weather. A much larger hole than usual has been put down, by means of a rotary drill, being 10 inches in diameter. In order to hold the ten-inch pipe in place, and in order to prevent the gas from forcing its way back in the casing, over one hundred bags of cement have been put in the hole. While this cement is setting the drilling crew is busy installing the different machinery to be used with the standard tools, which will be used to complete the well. While using the rotary tools the hole is kept full of water. The pressure of this column of water prevents the escape of any gas or oil in quantity.

No estimate can be made as to when the well will be completed. It will probably be three or four weeks before drilling will be resumed. Both of the head drillers are experts at their trade. Mr. A. Allison, late from Wyoming, and P. K. Adams, of California, are both on their first well in Alberta. They have both seen several years' service with the Standard Oil Company in the southern oil fields. They should be capable of combating any difficulties likely to be encountered in completing the well, and making a good test of the formation.

A number of the holders of leases in the townships in which the Imperial Oil Company have secured their holdings have adopted a new plan for developing their holdings. Realizing the advisibility of having their holdings scattered over a larger area, a number of the best leases owned by Edmonton and Calgary parties are being pooled. These will be held by a holding company on a 1-10 royalty, and one share of stock in the holding company will be issued for each acre turned in. The holding company will then allot a certain part of each lease to a company, who will agree to develop same at 1-8 royalty. In this way it will be possible to secure drills for all parts of the holdings, and each drill owner will have holdings adjoining other drills. Should any part of the field prove non-productive, the owner of that lease will have a chance of reaping a benefit from the holding companies' interests in a more productive part of the holdings.

LOWER WAGES TO REVIVE BUILDING

Otherwise the Present Stagnation in Construction is Bound to Continue

The necessity for an adjustment of wages in the building trades in order to restore more healthy conditions, was emphasised at the annual meeting of the Canadian Mortgage Investment Company by Hon. Wallace Nesbitt, K.C., who referred to the facts brought out by the Lockwood committee in New York. This committee had called the attention of the building trade unions to a list of abuses of which they had been guilty and which they were notified must be reformed voluntarily or by legislation. Mr. Nesbitt declared that the chief abuses were familiar to all and that the arrogance and tyranny of trade unionism had become a scandal of the generation. It was not so much the hourly wage as the conditions imposed and the limitations on output that were destroying business. No country could prosper under these conditions and sooner or later this would be recognized.

Joseph Henderson emphasized that there could be no revival of building upon the present level of costs because the public cannot pay rents upon that basis. There could be no relief until wages and living costs were lowered and the products of the farm and factories can be exchanged on a fair basis. This adjustment might be delayed by the unwise actions of labor or of any other class or interest.

SASKATCHEWAN MORTGAGE

Profits Larger Than in 1919 but Less Than in 1920

While the directors of the Saskatchewan Mortgage and Trust Corporation, report to the shareholders that interest in arrears on farm loans increased somewhat during the year, due to unsatisfactory crop results, the earnings of $77,997 and net profits of $57,685 are but slightly under the showing for 1920 and somewhat better than for 1919. The directors points out that provision has been made to carry over delinquents in each case where circumstances warrant; interest on city property loans was promptly paid, and such loans are regarded as very satisfactory. Trusts and estates under administration increased approximately $275,000 during the year, so the revenue from this source was decreased considerably owing to general crop conditions and delayed collections. The most conspicuous increase during the year was agencies and trusteeships under bond issues, this business increased from $180,000 to nearly $5,000,000 and should afford additional cash and revenue in coming years.

Payment of dividends and appropriations for reserve and other items had the effect of somewhat reducing the balance available by the following summary :

	1921	1920	1919
Earnings . . .	$77,997	$80,384	$73,691
Expenses. . .	20,312	19,511	16,992
Net profits . .	$57,685	$60,873	$56,699
Bal forward.	10,354	7,336	9,637
	$68,039	$68,209	$66,336
Dividend . . .	47,226	46,201	44,091
Int on stock. .	1,349	1,724	2,421
Reserve . . .	11,892	9,929	10,000
Balance . . .	7,572	10,354	9,824
	$68,039	$68,208	$66,336

The company's earnings record for the past six years is summarized as follows:

Year	Paid-up Capital	Profits	% Div.	Prof. Av. cap.	Earn rate
1921. .	$826,814	$57,685	6	7.2	6.2
1920. . .	824,070	60,873	6	7.7	6.5
1919. . .	808,705	56,699	6	7.5	6.7
1918. . .	791,043	54,413	6	7.4	6.4
1917. . .	777,206	49,192	6	6.9	5.3
1916. . .	759,686	43,033	6	6.3	5.7

LETTERS TO EDITOR

THE CO-INSURANCE CLAUSE

Volusia, Florida, Feb. 28, 1922.

The Editor,
The Financial Post, Toronto.

Sir,—A clipping from THE FINANCIAL POST containing Mr. Morrisey's letter of the 14th inst. on the above subject reached me here to-day.

In an address before the Insurance Institute, Toronto, a few weeks ago, I pointed out, in referring to one phase of the Distribution Clause, that unless the assured carried insurance up to 100 per cent. of the total value in all locations, he would, in the event of the complete destruction of property in one location, be bound to bear a part of the loss himself, notwithstanding the fact that the insurance in all locations far exceeded his loss. This would not be the case if there was a partial loss in one location which did not exceed the amount of insurance allocated thereto by the Distribution Clause; and in this respect it, of course, differs entirely from a co-insurance clause.

If the brief notes made after the address and printed, did not make this clear, I am glad of the opportunity of adding these few words in explanation, and am grateful to Mr. Morrisey for calling attention to the matter.

Yours very truly,
W. H. ADAMSON.

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SPORT ROADSTER

The food imports of Great Britain during 1921 showed a falling off as compared with 1920 and as compared with the average for the years 1910 to 1914, according to the Department of Commerce. Imports of wheat in 1921 were 75 per cent. of normal.

Sifton's Immigration Policy For Canada

(Continued from page 10)

It is cruel. He would starve to death. It is an intolerable crime to bring out these men and try to make pioneers of them.

The pioneer has to be of the toughest fibre that can be found. Do not let anyone persuade you that you can get people from the towns and make farmers of them. If you do you will have a problem worse than the one you have now. We have had cases where English mechanics have made a great success on the land, but they are the exceptions that prove the rule. It takes two generations to turn a town-bred population into an agricultural population, and I do not think anything but dire starvation will make them do it. We have not got time for that job. We have not two generations to spare. I saw the other day a statement by Colonel Dennison, a very old friend of mine, and for a time an official of my department and a man for whom I have the highest respect. He made the statement that we should go out and bring in ten million people to Canada in the next ten years. I am forced most reluctantly to disagree totally and entirely with that statement. I think it is wholly impossible. I think it is madness to try it and if the Government of Canada and the Canadian Railways should combine in one huge system of expenditure to bring ten million people to Canada in ten years, I venture to say now that seven millions will be down south of the line at the end of the time. That is what will happen.

A Problem of Individuals

The problem of immigration cannot be solved in that way. It is an individual problem. The problem is to find the individual man who will make good here and make a home in Canada. If you try to do it in any other way you will make the greatest mess in the world. If you want to do this you cannot hold the purse strings tight. It costs money. I think 500,000 or 600,000 farmers could be put on the land in the next ten years. Four to a family that would be two million people in ten years. At the end of twenty years from now the two million people you put on the land would represent six or seven million at the ordinary rate of increase. If you get the 500,000 actual farmers on the land in the next ten years then your railway problem is solved and your national debt problem is solved. Where will we get these settlers? An industry has grown up in the United States of land colonization companies. They move people from densely populated states to less densely populated states. They have very clever men at the head of these companies, and very clever and expert staffs. Their men are very highly paid and they know the conditions in their several states. If I were working for the purpose of getting men into the northwest I would work through these organizations. I would make it to their interest to acquire land in the northwest.

We have perhaps 25,000,000 or 30,000,000 acres of land available near to markets. If you had to work with these land companies and they acquired a tract or two other people having land would put the price of land up. There is only one way to grapple with the question, and that is for the Dominion Government and the Provincial Governments to take these landowners by the throat. I am just as much opposed to interfering with the rights of property as anybody else; but there is a point beyond which no one can be allowed to trifle with the interests of the state; and it is not right that the Dominion is forced to have 30,000,000 acres of land lying idle to please any speculators. If they will not have the land occupied and put settlers on it, they should have a reasonable price set upon the land, adding taxes and interest for a certain number of years, and the land should be listed with the government so that the land could be disposed of to these companies who would be able to colonize it.

I do not see any other way in which it could be handled. I would also go back to the north of England and Scotland. There are some mechanics in the north of England towns, and Scotland who have been born on the land. They all want to emigrate. They all want to come to Canada and farm. I would search out individually all I could get, as well as farm laborers and sons of small farmers. I would start an intensive search and get everyone of them I could get. In Norway, Sweden, Denmark, Belgium, and to some extent Bohemia, Hungary and Galicia there are hundreds of thousands of hardy peasants, men of the type I have described, farmers for ten or fifteen generations men who have always worked from four o'clock in the morning until dark, and have never expected to do anything else. They want to better their conditions. The whole problem is to get the organization for the northern part of Europe that will sift them out so that you will be sure you get the Simon Pure peasant off the soil. If that could be put into shape you would not get very many the first year or the second, but once you got it going it would work itself, because every thousand you sent out here would write home. For everyone that came ten would come in two or three years. We should be able to get as many as we could accommodate and take care of.

While we could get American farmers with capital, the American farmer is no good unless he has someone to work for him. If these wealthy farmers come here, each of them needs five or six men to work for him, and there is a shortage of help in the west already. You will have gathered from what I have said that I think the immigration problem can be solved with reasonable success if it is gone about in the right way.

Don't Need Assistance

You will have gathered from what I have said that I am opposed, generally speaking, to the system of assisted immigration. The class of peasants I speak of do not want to be assisted. Any of them that are any good will find the money to buy their tickets. They not only can buy their tickets, but if you could put the X-rays on them you would find sewed up and down in their trousers a little leather purse with some dollars in it. All you have to do is to facilitate their coming, and when they arrive in Quebec take them at once out to where they are going to settle. You will have gathered that I think the problem can be solved, but I do not think it can be solved by any huge system of assisted immigration, and, above all, I would be opposed to any huge system of importing people from the towns and putting them into the life of pioneer settlers.

To Speed Up Our Industries

"I am reorganizing business methods — speeding up industry, multiplying sales, reducing the cost of selling, making it possible to accomplish more in the business day.

"I give you the right of way into Everyman's office. In the midst of a conference, listening to your rival's salesman, reading a telegram or special delivery letter, he will stop — and listen to Long Distance.

"I am the quickest Messenger on earth, reliable, never sick or on holiday. From the office I direct the operation of branches — buy and sell everything — make new customers — stimulate and encourage salesmen — forsestall competition — verify credits — pacify customers — collect bills. I have been called 'the greatest business-getter in the world.'

"For the factory and warehouse I speed up and direct incoming and outgoing shipments — secure coveted material or supplies — order new parts to replace broken equipment.

"I am the wonder-servant of the age—your cheapest and most faithful employee, The Long Distance Telephone."

THE BELL TELEPHONE COMPANY OF CANADA

Every Bell Telephone is a Long Distance Station

OLD CHUM

Canada's Favorite Pipe Tobacco

The Tobacco of Quality

In tins and packets

Canadian Appraisal Co., Limited

Property Values Definitely Established to Meet All Insurance and Accounting Requirements

TORONTO ROYAL BANK BLDG — 36 UNIVERSITY STREET MONTREAL — NEW YORK EQUITABLE BLDG

Your Finances

The Man who Saves

At age 19 his bills exceed his income.

At age 21 his Canada Life Policy creates a gap between income and expenditure.

At age 35 his "bills" include a "premium due" which checks extravagance.

At age 50 he can "afford" anything in reason.

At age 60 he has no anxiety for the future, and leisure for his many interests.

A man who sets aside only $200 each six months and allows it to compound at 5½% interest will have at the end of thirty years a total fund of—

Thirty Thousand Dollars

You know many people who *could* set aside $200 each six months. But—

Many a man who has had time to accumulate this moderate fortune, is still "drudging along" without it. For this reason:

Very few men will systematically "put by" a certain definite sum, and leave it untouched for any reasonable length of time. Human nature is seldom built that way.

The Canada Life Plan

Our insurance policies will provide any sum you name, to be delivered to you in cash at any age you desire, or to your Beneficiary should you die in the meantime.

You can thus anticipate the years, *capitalize* your present health and earning power, and make certain of many years' progress *now*.

The Endowment at 65

issued by the Canada Life will solve the problem of your Future.

It is a Certainty

The full amount of your Policy will be paid in any case, whether you live or die. Other investments may depreciate in value or fail. *The Endowment is a certainty.* The guarantee will take care of your home, or your business, or your personal interests, as nothing else can.

Profits Will Hasten Maturity

A special clause in this Policy provides that if the profits be allowed to remain at your credit each year instead of being withdrawn, the face of the Policy will be payable to you some years before you reach age 65.

Whatever your circumstances may be later on in life, you will welcome this fund of a few thousand dollars. You may need it then.

Ask for particulars

Canada Life

Assurance Company

TORONTO, Canada

FILL UP — CUT OFF — MAIL TODAY

Canada Life Assurance Company,

12

EASTERN TRUST CO.

Assets Increased Over $2,700,000—Paying Higher Dividend

The twenty-ninth annual report of the Eastern Trust Company shows an increase in assets from $26,316,713 to $30,079,517. This does not include the amount of property, $37,000,000 in which the Company is trustee for the bondholders. During the year estates to the value of $1,024,612 were distributed owing to the termination of the trusts. The net profits for the year, after paying all charges of management, were $133,511. Of this $97,500 went to meet dividends which were increased during the year from 9 to 10 per cent. After other deductions there remained a balance of $24,436. The report notes that in spite of the depreciation in real estate only one foreclosure was necessary, for an advance of $10,000, and the sale of the property realized more than the mortgage.

In connection with the election of directors J. C. Macintosh resigned owing to ill health. Vacancies on the board were filled by the appointment of Hon. R. M. MacGregor and Col. B. A. Weston.

Return of the Chartered Banks of the Dominion of Canada, January 31, 1922.

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 9, of the Statutes of 1913.

LIABILITIES

NAME OF BANK	Capital authorized	CAPITAL STOCK: Capital Subscribed	CAPITAL STOCK: Capital Paid up	Amount of Reserve Fund	Last Dividend declared	Notes in Circulation	Due to Dominion Government	Due to Provincial Govts	Demand Deposits In Canada	Notice Deposits in Canada	Deposits Elsewhere	Loans from banks in Canada
	$	$	$	$	%	$	$	$	$	$	$	$
Montreal	28,075,000	22,000,000	22,000,000	22,000,000	12	30,197,476	19,093,400	4,115,608	91,137,495	219,158,743	67,847,331	....
Nova Scotia	15,000,000	9,700,000	9,700,000	19,000,000	16	14,403,019	2,496,238	1,045,831	31,495,694	108,812,579	29,836,862	....
Toronto	10,000,000	5,000,000	5,000,000	6,000,000	12	5,611,098	698,722	1,630,964	21,416,801	45,246,699	....	....
Molsons	5,000,000	4,000,000	4,000,000	5,000,000	12	4,707,501	4,108,524	498,051	13,935,037	41,917,193	....	....
Nationale	5,000,000	2,000,000	2,000,000	400,000	12	4,636,150	6,676,983	364,649	4,541,510	29,699,829	6,942,383	....
Merchants	15,000,000	10,500,000	10,500,000	1,500,000	6	9,947,091	13,756,412	2,523,358	30,803,208	71,167,852	2,515,639	....
Provinciale	5,000,000	3,000,000	3,000,000	1,500,000	9	2,507,354	2,446,754	294,987	3,687,405	25,863,349	....	....
Union	15,000,000	8,000,000	8,000,000	6,000,000	10	7,898,069	2,992,572	2,920,987	25,996,305	63,696,403	5,559,940	....
Commerce	25,000,000	15,000,000	15,000,000	15,000,000	12	20,631,110	12,434,010	2,947,940	93,377,859	165,239,155	32,046,958	....
Royal	25,000,000	20,400,000	20,400,000	20,000,000	12	27,913,716	9,330,056	2,516,229	172,718,726	179,594,908	107,000,799	....
Dominion	10,000,000	6,000,000	6,000,000	7,000,000	12	6,400,508	1,292,875	2,998,951	22,451,704	67,740,846	3,027,784	....
Hamilton	7,000,000	5,000,000	5,000,000	4,850,000	12	4,605,211	6,544,773	961,615	14,512,174	41,265,523	....	....
Standard	5,000,000	4,000,000	4,000,000	5,000,000	14	4,720,965	2,141,366	894,338	18,712,655	44,539,197	....	....
d'Hochelaga	10,000,000	4,000,000	4,000,000	4,000,000	10	5,802,904	5,608,542	71,482	9,401,006	42,018,286	....	....
Imperial	10,000,000	7,000,000	7,000,000	7,500,000	12	9,610,040	1,491,339	7,476,379	23,340,422	62,720,254	....	....
Home	5,000,000	2,000,000	1,959,826	550,000	7	1,485,790	2,798,477	1,553,786	5,750,135	12,034,442	....	....
Sterling	3,000,000	1,266,600	1,232,700	500,000	8	1,239,521	3,920,195	677,704	3,142,436	11,224,090	....	....
Weyburn Security	1,000,000	655,700	524,560	225,000	7	327,592	283,040	10,024	732,597	1,196,053	....	....
Total	199,075,000	129,522,300	129,317,086	126,425,000	......	162,645,115	97,114,278	33,502,883	487,153,169	1,233,208,401	254,777,696	....

NAME OF BANK	Balances due to Banks in Canada	Due to Banks in the U. K.	Due to Banks Elsewhere	Bills Payable	Acceptance under letters of Credit	Other Liabilities.	Total Liabilities	Loans to Directors	Average Gold and Coin Held	Average Dominion Notes Held	Greatest Amount Notes in Circulation
	$	$	$	$	$	$	$	$	$	$	$
Montreal	3,947,783	119,703	1,796,502	2,775,057	2,754,962	806,981	443,751,046	1,139,292	28,664,556	68,145,343	33,748,434
Nova Scotia	1,485,341	20,615	1,068,744	1,354,469	271,748	10,097	192,301,243	994,186	10,326,124	15,394,917	15,717,279
Toronto	856,243	106,645	684,397	....	491,487	1,214	76,744,274	375,026	1,002,991	6,824,904	6,430,839
Molsons	228,280	6,113	235,416	....	208,024	328,233	65,172,465	190,656	605,945	3,667,688	5,265,253
Nationale	....	369,457	249,556	450,000	....	....	53,930,520	351,240	446,900	989,200	5,175,060
Merchants	174,348	30,143	172,951	106,331	454,907	295,408	131,947,652	407,607	2,767,483	3,923,395	11,995,745
Provinciale	2,126	....	18,150	....	....	195,133	35,015,261	....	158,789	211,754	2,975,364
Union	213,298	5,614,817	3,552,787	....	2,299,725	26,977	121,044,783	1,010,006	1,108,451	7,228,428	9,235,889
Commerce	135,024	1,182,940	7,496,494	1,685,105	5,770,466	6,926	342,953,994	1,537,517	17,585,000	21,999,000	23,286,019
Royal	2,147	223,379	11,543,472	4,636,578	6,785,499	22,024	422,087,539	644,004	13,679,025	18,624,966	31,255,261
Dominion	966,286	285,330	745,455	543,002	498,212	367,758	107,318,717	678,774	2,125,000	9,262,000	7,326,571
Hamilton	31,808	165,084	405,392	....	133,567	....	68,625,151	516,699	913,762	2,743,939	5,204,936
Standard	2,423,313	27,710	556,105	92	21,302	....	74,037,047	54,124	1,729,549	5,997,465	5,344,250
d'Hochelaga	2,172	4,862	326,391	....	13,242	....	63,248,890	379,100	520,463	2,865,922	6,834,464
Imperial	700,141	5,378	201,827	....	181,600	....	105,727,382	96,637	1,808,074	11,508,074	10,988,998
Home	5,055	121,828	896,387	....	....	6,024	24,651,928	291,016	193,220	954,097	1,778,995
Sterling	189,536	....	....	....	5,240	1,799	20,400,525	271,136	83,419	655,557	1,239,708
Weyburn Security	....	....	37,346	....	....	49,603	2,636,258	37,089	17,126	117,101	446,197
Total	11,362,901	8,284,004	29,987,372	11,550,634	19,889,981	2,118,167	2,351,594,675	8,974,109	83,735 877	181,113,750	184,248,36

ASSETS

NAME OF BANK	Gold and Subsidiary coin	Dominion Notes	Deposit for note circulation	In Central Gold Reserves	Notes of other banks	Cheques on other banks	Balance due from banks in Canada	Due from banks in United Kingdom	Due from Banks elsewhere	Government securities	Canadian municipal, British and foreign securities	Railway and other bonds and stocks
	$	$	13	$	$	$	$	$	$	$	$	$
Montreal	29,765,498	72,302,130	1,090,000	12,200,000	2,146,989	16,320,926	....	2,243,804	6,782,502	29,818,987	30,051,932	2,833,823
Nova Scotia	10,192,582	12,873,071	484,286	6,000,000	3,116,881	8,986,823	23	362,997	2,022,939	23,136,365	9,533,163	5,410,613
Toronto	1,004,842	6,546,482	262,479	1,200,000	481,690	3,611,701	....	....	683,569	10,233,502	2,780,689	268,219
Molsons	615,314	3,145,436	205,000	1,000,000	566,433	3,064,788	4,313	324,251	1,335,495	7,329,230	2,328,577	764,542
Nationale	460,618	1,144,661	100,000	2,400,000	330,655	1,408,270	5,620	....	654,223	1,111,194	7,098,142	853,671
Merchants	1,790,255	3,130,247	530,000	....	1,758,628	5,281,356	2,635	185,498	1,212,709	13,271,752	3,490,737	2,095,720
Provinciale	186,796	257,698	157,825	....	418,034	1,534,902	4,199,028	7,160	157,926	4,886,551	4,404,310	1,644,003
Union	1,236,470	8,150,733	395,000	350,000	1,029,285	7,137,118	74,433	1,018,285	3,934,361	12,080,490	8,566,640	3,478,744
Commerce	11,149,692	19,813,691	800,000	6,000,000	3,517,931	14,271,759	206	480,325	11,489,981	24,354,681	8,756,840	5,586,230
Royal	13,707,292	24,396,684	985,000	8,500,000	22,959,447	15,819,977	5,937	2,393,804	19,178,127	24,291,180	9,466,136	16,045,324
Dominion	2,158,955	7,661,551	305,000	1,700,000	817,053	4,726,552	29	142,865	1,310,854	16,064,378	3,721,009	1,767,082
Hamilton	946,882	4,709,200	250,000	500,000	525,718	2,497,028	853,349	56,461	696,870	5,601,875	3,079,911	371,160
Standard	1,750,438	10,529,425	200,000	1,000,000	346,184	5,151,513	100,000	259,525	849,911	9,029,521	2,843,643	1,202,475
d'Hochelaga	545,545	2,775,887	200,000	1,800,000	1,206,437	2,105,987	188,506	67,651	402,644	4,500,083	3,854,936	268,244
Imperial	1,837,365	12,677,767	466,407	5,002,533	1,080.761	4,131,599	640,580	307,109	2,135,067	11,757,179	2,878,455	475,285
Home	199,136	1,326,648	108,000	....	281,841	898,815	120,601	9,896	350,443	2,698,940	503,400	1,777,438
Sterling	84,705	1,029,307	66,000	....	110,100	574,378	5,000	30,175	120,203	9,932,245	1,970,169	313,423
Weyburn Security	17,986	116,982	22,861	....	19,408	12,192	269,203	....	78,859	260,509	21,208	....
Total	77,650,371	192,587,600	6,527,858	47,652,533	41,713,475	97,535,684	6,469,463	7,889,806	53,396,683	210,358,659	105,349,897	45,155,996

NAME OF BANK	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current Loans elsewhere	Loans to Provinces	Loans to municipalities	Overdue debts	Real Estate other than premises	Mortgages on real estate sold	Bank premises Less written off	Letters of Credit	Other Assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	2,374,693	78,384,265	160,670,256	14,434,603	3,523,929	18,452,333	580,508	26,146	52,930	5,500,000	2,754,962	81,809	492,393,83
Nova Scotia	9,040,949	16,598,381	91,134,383	11,086,859	....	3,632,181	279,209	82,958	170,205	7,010,795	271,748	230,446	221,657,04
Toronto	7,813,496	500,000	47,154,632	....	....	2,517,226	439,967	....	....	3,567,094	491,487	....	89,557,1
Molsons	6,705,658	....	41,716,539	....	....	1,468,413	488,823	56,570	38,083	3,100,145	208,024	289,382	74,755,0
Nationale	1,984,932	....	34,963,175	....	....	536,181	511,743	363,920	420,477	2,203,260	....	91,695	56,642,4
Merchants	5,044,239	4,118,964	87,864,670	906,002	....	2,041,584	2,707,312	659,003	665,772	6,537,559	454,907	239,855	143,989,4
Provinciale	4,487,994	....	14,354,920	....	....	1,882,420	249,881	5,500	10,239	414,414	....	310,331	39,569,9
Union	3,544,240	3,070,965	66,092,569	5,925,503	1,592,723	2,948,611	237,035	161,079	392,636	2,128,079	2,209,725	144,738	135,989,4
Commerce	15,962,919	24,351,054	177,565,203	22,290,970	676,971	14,054,491	540,496	617,443	184,342	7,371,142	5,770,466	32,486	375,639,3
Royal	17,268,184	22,433,852	147,521,818	93,011,525	779,305	6,100,725	421,589	1,002,531	259,830	10,788,691	6,785,499	138,514	465,250,9
Dominion	7,007,446	5,205,747	59,384,240	1,054,247	....	949,991	176,483	5,415	16,875	6,206,342	498,212	417,312	121,297,6
Hamilton	6,652,695	400,000	43,460,209	....	299,874	3,616,007	471,052	692,716	159,568	3,110,910	133,567	343,421	79,428,48
Standard	2,809,229	....	43,667,099	....	....	1,402,028	165,456	86,540	13,500	1,810,496	21,302	54,713	83,293,004
d'Hochelaga	6,061,089	350,000	40,568,966	....	....	2,235,559	600,933	223,091	357,122	3,382,657	13,242	88,603	71,797,192
Imperial	4,380,238	2,500,000	56,991,433	....	534,628	6,038,983	721,072	543,962	427,561	5,591,824	181,600	683,457	121,884,969
Home	1,437,744	....	16,021,391	24,038	....	43,485	190,620	86,776	111,536	944,535	....	154,349	27,289,641
Sterling	54,616	....	7,017,970	....	....	99,653	9,669	....	2,686	567,417	5,240	305,959	22,298,924
Weyburn Security	....	....	2,011,972	....	....	28,352	188,906	38,081	24,251	204,219	....	60,668	3,375,666
Total	102,630,461	157,913,228	1,138,151,455	148,733,747	7,407,430	68,048,223	8,980,763	4,651,731	3,307,621	70,439,578	19,889,981	3,667,738	2,626,110,129

Column No. 4. Of this deposit $9,502,533 is in gold coin; the balance is in Dominion notes

FINANCE DEPARTMENT, OTTAWA, Mar.2nd.1922

GALT MEETING ENGINEERED BY PROPAGANDISTS

Business Men Getting Sick of the Methods Being Used

MISLEADING REPORTS

Meeting Called to Consider Electrification of Line to Elmira is Turned Into a Rally

The insidiously clever methods of the Hydro Electric propagandists, are being more generally appreciated, although seldom indicated by the daily newspapers which for the most part are their willing or unthinking dupes. These methods were recently employed in connection with a meeting called at Galt, to consider matter of electrifying the Grand Trunk from Galt to Elmira, but which was generally reported through the press as a Hydro radial rally. The matter was drawn to the attention of THE FINANCIAL POST by a leading manufacturer of Elmira whose letter follows:

The writer has been reading your paper with much interest for the last few years and takes special interest in your articles on hydro electric developments and radials.

You will have noticed that a meeting was called in Galt for the purpose of discussing the advisability of submitting to the Dominion Government a memorial asking them to investigate the matter of electrifying the Grand Trunk from Galt to Elmira. The meeting turned out, I understand, to be an attempt to boost the hydro radial proposition. I wish you would have something to say about this shortly in your paper, provided you can get exact information. The information which I have given you is not official by any means, but it is information passed along to the writer by one of the delegates. Perhaps you know something about it. At any rate, the writer does not like the methods used to boost these railroads and thought it well to draw your attention to it, so that you can make intelligent comments on it if you think it wise.

It seems too bad that it is not possible to get full information about this project in a handy form. It makes it very difficult to talk against the proposition when one cannot get his hands on all the facts.

Following receipt of this letter the matter was brought to the attention of a bank manager at Galt, who was appealed to as a man with a grasp of the trnsportation in that district. (His views on Hydro or public ownership were not known and not considered.) His views on the situation and Hydro propaganda follows:

Referring to your letter of 27th February, I have been unable to obtain copies of the three resolutions passed at the meeting in question. I was not present but know the relatively small crowd supporting the Hydro Electric projects so well that the following views may be regarded as substantially correct.

1. The Beck followers would like to form a new party with Sir Adam as the leader, running candidates pledged to uphold Hydro Electric methods, electric radials, and all. The project is freely discussed in some quarters but Sir Adam's ill health is the fly in the ointment.

2. The meeting was called for the purpose of keeping the crowd in line and presenting resolutions to impress the government that the people as a whole are back of Beck's radial policies, while as a matter of fact the views only of a comparatively few were represented. Anyone who might oppose these enthusiasts is decried as a "knocker," "unprogressive," etc.

3. The great majority are against hydro radials, (a) as unnecessary from a transportation standpoint, (b) as economically unsound; (b) as duplicators and competitors of already existing railroad facilities which are money losers; (d) for the reason that the Provincial and County good roads movement will surely see the establishment on a large scale of motor passenger and freight transportation from door to door, which would seriously impair the earnings of radial lines.

4. The particular project which was the ostensible reason for the meeting was the electrification of the old G.T.R. line from Elmira to Galt. This line runs from Elmira through Kitchener and little hamlets such as Doon and Blair to Galt. A train of two or three cars makes but two trips a day. It has long been a joke, carries but few passengers, but little freight and it is extremely doubtful whether it has ever earned running expenses. It is proposed to build an expensive bridge over the Grand river at Galt and to connect with the existing G.T.R. Galt to Hamilton, to be electrified, or to build a new radial from Galt down through Beverly to Hamilton, competing with the present established G.T.R. line.

It is just another foolish project to tie up a lot of unproductive capital in an enterprise that would serve no useful purpose. At the meeting no figures whatever were presented to show the probable earning power of the project, but what does that matter to a lot of enthusiasts? Government provincial highways are already being constructed from Hamilton to Galt, to Kitchener, and through Waterloo to Elmira. A large portion of the road will be completed this summer.

TENDERS WANTED

Village of Cayuga — $70,000 6% debentures, 20 years.

Sealed tenders will be received by the undersigned up to 6 o'clock p.m., March 22nd, 1922, for $70,000.00 six per cent. 20-year debentures of the Village of Cayuga, Ontario—guaranteed by the County of Haldimand. Payable at the Canadian Bank of Commerce, Cayuga.

R. S. COLTER,
Village Clerk,
Cayuga, Ont.

Dividend Increase Toronto Mortgage

The Toronto Mortgage Company has increased its dividend rate from nine to ten per cent.. The first quarterly dividend cheque on the new basis will go to shareholders on April 1.

At the recent annual meeting no mention was made of an increase in the dividend rate although the fact that the reserve had been brought out of profits to an amount slightly greater than the capital seemed to make this action one which the shareholders might well expect. At the last directors' meeting the question of dividend was discussed. The feeling was that there is no reasonable ground to doubt the company's future ability to pay the advanced dividends—which by the way has actually been earned for the last seven or eight years—and the directors determined upon the increase.

SMELTERS HANDLE REFRACTORY ORES

Millions Spent in Research Work Bring Results Which Should Aid Industry

From Our Own Correspondent

VICTORIA.—After spending some $3,000,000 in research work, the Consolidated Mining and Smelting Co., has solved the problem of treating the complex ores of the Kootenay country, and important developments in this industry are expected as a result.

President J. J. Warren, in announcing the success of the company's experiments, pointed out that for years smelters all over the world have been penalizing such ores as those of the Kootenay district in proportion to the amount of zinc they contained, because zinc was not only irrecoverable itself, but insisted on carrying off a portion of the silver, and often froze up the furnaces as well.

By making use of the new process the company can recover the zinc as well as save the silver. The miners will now be paid for the full content of their ore, silver, zinc and lead.

This is regarded in mining circles as news of exceptional importance, as the Kootenay mines, when in full operation, have an output of 50,000,000 to 60,000,000 pounds of zinc per annum. Mining in Atlin and Omineca in the northern coast section of the province will also benefit.

Profits of $10,000,000 a year are said to be made by the Canadian-United States drug ring on the illegal sale of narcotics.

INTER-INSURANCE BILL BEFORE HOUSE

Rating Bureaus to be Under Control of Superintendent—Access to Books

Four insurance bills are before the Ontario Legislature, at the present time, two of which are new. These deal with Reciprocal or Inter-insurance and an act to regulate rating bureaus. The other two bills are amendments to the Ontario Insurance Act in respect to automobile insurance.

The bill for inter-insurance gives the persons who may undertake this form of protection, declarations of members of exchanges, and the evidence required before a license can be issued. Other clauses outline the amount of reserves that are to be maintained and the class of securities held must be in accordance with the superintendent's instructions.

Rating bureaus are to be regulated in respect to the rate charged, time limits for filing information, and the superintendent is to have access at all times to the books of any bureau. Nor will any rating bureau be allowed to increase the rate on any risk unless the approval of the superintendent is forthcoming.

A bill dealing with automobile insurance will cover any liability for loss or damage sustained while the policy is in force, the usual penalties are provided to protect companies against fraud and misrepresentation.

Amendments to the Ontario Insurance Act, are in relation to the following subjects:

Old age insurance by fraternal societies; general penalties; underwirters' agencies; valuation of life insurance contracts; records of fire insurance premiums and losses; holding of real estate by insurance companies; fire insurance policies as collateral security to mortgages.

BARCELONA TRACTION

The Barcelona Traction, Light and Power Company reports higher gross earnings for the month of January than for any previous month in the company's history. The total for the month at 4,074,494 pesetas, showed an increase over the figures for the same month in 1921, of 920,177. Operating expenses amounting to 1,554,683, left net at 2,519,811, or an increase of 439,562 over last year. The figures following show the gross, net and net increase for the twelve months ending January:

February	3,354,062	2,360,155	860,133
March	2,891,743	1,862,908	167,767
April	2,925,798	1,819,111	51,198
May	2,862,358	1,750,168	x17,143
June	2,912,556	1,774,541	156,354
July	2,844,138	1,693,681	123,267
August	2,923,804	1,672,945	x88,959
September	3,164,126	1,995,997	50,174
October	3,185,930	1,958,306	126,914
November	3,661,205	2,495,564	378,788
December	3,820,393	2,561,712	519,072
January	4,074,494	2,519,811	439,562

Pulp Contract of $60,000,000 Canada makes World Record

Sir Frederick Becker Here Closing Agreement for 1,000,000 Tons Groundwood and 450,000 Tons Sulphite Pulp From Saguenay Co.—May Also Help

Syndicate Includes Northcliffe and Burnham

From Our Own Correspondent

MONTREAL.—The biggest pulp contract ever arranged, covering purchases of about $60,000,000, and extending for a period of ten years, is on the point of settlement, the FINANCIAL POST learns. This contract will call for the delivery of over 1,000,000 tons of groundwood pulp, and some 450,000 tons of sulphite pulp, the production of the Chicoutimi mills of the Saguenay Pulp & Power Co. In order to close up this contract, Sir Frederick Becker, head of Becker & Co., London, lately honored with knighthood, was in Montreal this week.

Burnham and Northcliffe in This

This contract is being placed through Becker & Co., but covers a group of twenty-eight different concerns, including a number of English newspapers who have converting mills for newsprint, that use large quantities of both kinds of pulp; and also a number of dealers in groundwood and sulphite pulp. Among these newspaper proprietors are Lord Northcliffe and Lord Burnham. The latter will be remembered in Canada as chairman of the Imperial Press Conference. While here he and Lady Burnham paid a visit to the mills at Chicoutimi and it was this visit that induced him to join this syndcate and thus secure material for newsprint for his paper, the London "Telegraph."

Millions of Profit for Saguenay

The new contract will take most of the output of the Saguenay mills, and one of the details of the arrangement will mean the improvement of the Chandler mill, to produce as high a grade of sulphite pulp as does the Ha-Ha Bay Sulphite Co., which it is understood is controlled by Becker & Co. This contract under the special terms comprising it should prove a very profitable one for the Saguenay Pulp and Power Co., enabling it in the ten years to pay off a large portion of the bonds and notes, and leave several million dollars available for dividends.

Sir Frederick's visit to Canada has other purposes than this contract, however, and the sulphite pulp industry may experience a marked improvement if he decides to take an interest in certain directions for the resuscitation of the industry generally. The firm of which he is the head is the largest dealer in pulp in the world, and is in business in London, Paris, Italy, New York, Canada, Norway and Sweden, with representatives in Buenos Aires, Mexico, Brazil, China, Japan, India and Australia. During the war they acted for the British, French and Italian governments. Sir Frederick is interested also in two groundwood pulp mills in Nova Scotia, Sissiboo and Clyde.

In speaking to THE FINANCIAL POST of the pulp industry Sir Frederick intimated that Canada had no reason to expect any strengthening of the competition with Scandianavian countries in pulp other than existed at present. "There are always points in the United States where pulp can be landed more cheaply from Norway than from Canada," he added. Sir Frederick's faith in Canada's great forest wealth is as strong as the most ardent Canadian's but he voiced this warning against the ravages of fire:

Warning Against Fire

"If Canadians would stop talking nonsense of reforestration and would deal with the terrible waste of fire, I and a good many other people, would have a great deal more confidence in the future of the pulp and paper industry. The Chief Forester of Quebec states that for one log felled by the axe, twenty are burned; it seems to me that the twenty burned are the ones to protect."

In anticipation of the signing of this contract there has been a renewed interest of late in shares of Saguenay Pulp & Power Co., both common and preferred, which are dealt in in the unlisted department. The North American Pulp shares are being exchanged for Saguenay shares, on the basis of eight common, and two and two-fifths preferred for every ten shares of North American Pulp

TENDERS WANTED

TENDERS FOR DEBENTURES

Sealed tenders will be received by the undersigned up to 3 o'clock p.m.. Wednesday, March 15th, 1922, for $45,000 six per cent. 20-year instalment plan, coupons for interest attached, debentures of Town of Penetanguishene, guaranteed by County of Simcoe.

Debentures dated 1st December, 1921.

Payable at Standard Bank, Penetanguishene.

W. H. HEWSON, Town Clerk,
Penetanguishene, Ont.

TENDERS for DEBENTURES

Tenders wanted for Wessels School District, No. 1705, debentures. Offer $5,000.00 in 15 instalments.

J. B. ROSS,
Secretary-Treasurer,
Govan, Sask.

TOWN OF WAINWRIGHT, ALBERTA

TENDERS FOR DEBENTURES

Sealed tenders marked "Tenders for Debentures" will be received by the undersigned up to twelve o'clock noon, on Saturday, the 8th day of April, A.D. 1922, for the following debentures:

$6,000.00 Six and one-half per cent., maturing 15th December, 1929. Interest payable half-yearly, redeemable by drawings on interest due dates; also

$4,000.00 Fifteen-year seven per cent. debentures dated October 1st, A.D. 1921, repayable in equal annual instalments of combined principal and accrued interest.

Further particulars may be obtained from the office of Messrs. Long & Daly, 38 King St. West, Toronto, Ont. (the legality of these offerings having been passed upon by them), or from the undersigned.

H. Y. PAWLING,
Secretary Treasurer,
Town of Wainwright, Alberta.

CITY OF MOOSE JAW

SALE OF DEBENTURES

Sealed Tenders endorsed, "Tenders for Debentures," will be received up to ten a.m. of the 25th day of March, 1922, on all or any of the following issues:—

(A) $8,101.67 Sewer House Connections; interest at 6% per annum payable semi-annually. Principal repayable at the end of 10 years.

(B) $10,998.33 Water House Connections; interest at 6% per annum payable semi-annually. Principal repayable at the end of 10 years.

(C) $13,500.00 Waterworks Extensions; interest at 6½% per annum payable semi-annually. Principal repayable at the end of 30 years.

(D) $12,000.00 Electrical Extensions; interest at 6½% per annum payable semi-annually. Principal repayable at the end of 10 years.

These by-laws are all approved by the local Government Board. Bids will be received alternately on (1) for principal and interest payable in Canada only and (2) payable in Canada and New York. The highest or any tender not necessarily accepted.

W. F. DUNN,
Mayor.

GEO. D. MACKIE,
City Commissioner.

DIVIDENDS

LA ROSE MINES LIMITED

(No Personal Liability)

Dividend Notice

The Board of Directors has declared a dividend of 10%, equivalent to 10 cents per share, payable April 20th, 1922 to shareholders of record of March 24th, 1922.

The transfer books of the Company will close March 24th and re-open April 18th

S. J. LeHuray,
Secretary-Treasurer.

Montreal, March 6th, 1922.

THE MONTREAL CITY AND DISTRICT SAVINGS BANK.

Notice is hereby given that a dividend of two dollars and fifty cents per share has been declared on the Capital Stock, called and paid up, of this bank, and will be payable at its Head Office, in this city, on and after Saturday, April 1st next, to shareholders of record Wednesday, March 15th next, at three o'clock p.m.

By order of the Board.

A. P. LESPERANCE,
General Manager.

Montreal, February 27th, 1922.

Provincial Paper Mills Limited

DIVIDEND NOTICE

Notice is hereby given that dividends have been declared by PROVINCIAL PAPER MILLS, LIMITED, as follows:

Regular quarterly dividend 1¾% on Preferred Stock.

Regular quarterly dividend 1½% on Common Stock.

All payable on April 1st, 1922, to shareholders of record at close of business March 15th, 1922.

(Signed) S. F. DUNCAN,
Secretary.

DIVIDENDS

PENMANS, LIMITED

DIVIDEND NOTICE

Notice is hereby given that the following dividends have been declared this day for the quarter ending April 30th, 1922:

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of May to shareholders of record of the 21st day of April, 1922.

On the Common Stock, two per cent. (2%), payable on the 15th day of May to shareholders of record of the 5th day of May, 1922.

By order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, Que., March 6, 1922.

The Trinidad Electric Company, Limited

Notice is hereby given that a dividend of 1% for the quarter ending March 31st, 1922, on the capital stock of the Company has been declared.

Warrants will be issued and mailed to the address of each shareholder and are payable at the Royal Bank of Canada, Halifax, N.S., on and after the 10th of April, 1922.

The transfer books of the Company will be closed from the 1st to the 10th of April, both days inclusive.

By order of the Board.

F. B. OXLEY,
Secretary.

DIVIDEND NOTICE

Canadian General Electric Co., Limited

COMMON STOCK DIVIDEND NO. 91.

Notice is hereby given that a Quarterly Dividend of two per cent. for the three months ending the thirty-first day of March, 1922, being at the rate of eight per cent. per annum, has been declared on the Common Stock of the Company.

PREFERENCE STOCK
DIVIDEND NO. 52

Notice is also given that a Half-yearly Dividend of three and one-half per cent. for the six months ending the thirty-first day of March, 1922, being at the rate of seven per cent. per annum, has been declared on the Preference Stock of the Company.

The above Dividends are payable on and after the first day of April, 1922, to Shareholders of record at the close of business on the fifteenth day of March, 1922.

By order of the Board

W. H. Nesbitt,
Secretary

Toronto, March 4th, 1922.

THE TORONTO MORTGAGE COMPANY

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of two and one-half per cent., being at the rate of ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on and after 1st April, 1922, to shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.

WALTER GILLESPIE,
Manager.

DIVIDEND NUMBER 95

Hollinger Consolidated Gold Mines Ltd.

("No Personal Liability")

A dividend of 1% on the paid-up capital stock of the Company has been declared payable on the 25th day of March, 1922, on which date cheques will be mailed to shareholders of record at the close of business on the 10th day of March, 1922.

Dated the 3rd day of March, 1922.

D. A. DUNLAP,
Treasurer.

BRAZILIAN TRACTION LIGHT AND POWER COMPANY LIMITED

(Incorporated under the laws of Canada)

PREFERENCE SHARES

Notice is hereby given that a quarterly dividend of 1½ per cent. has been declared on the Cumulative Preference Shares of the Company, payable on the 1st day of April, 1922, to shareholders of record at the close of business on the 15th day of March, 1922.

J. M. SMITH,
Secretary.

Toronto, Canada, March 2nd, 1922.

DOMINION TEXTILE COMPANY LIMITED.

NOTICE OF DIVIDEND

A dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st March, 1922, payable April 15th, to shareholders of record March 31st, 1922.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

DOMINION GLASS COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of Dominion Glass Company, Limited, for the quarter ending the 31st day of March, 1922, payable Saturday, the 1st day of April, 1922, to Shareholders of record at the close of business Wednesday, the 15th day of March, 1922.

By Order of the Board.

MERVYN OFFER,
Comptroller and Secretary.

Montreal, 16th February, 1922.

DIVIDENDS

Dividend Notice

(Dividend No. 152)

Notice is hereby given that a quarterly dividend of *two and one-half per cent,* (2½%) for three months ending March 31st, 1922 (being at the rate of *ten per cent. per annum*), has been declared upon the Capital Stock of this Institution, and the same will be payable at the offices of the Company, Toronto, on and after Saturday, the 1st day of April, 1922.

The Transfer Books will be closed from the 15th to the 31st of March, both days inclusive.

By Order of the Board.

G. A. MORROW,
Managing Director.

CENTRAL CANADA LOAN AND SAVINGS COMPANY
King & Victoria Sts. Toronto
EST 1884

The Wabasso Cotton Co. Limited.

Dividend No 17.

Notice is hereby given that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending March 31st, 1922, payable April 3rd, 1922, to shareholders of record at the close of business on the 15th of March, 1922.

By order of the Board.

JAS. R. RITCHIE,
Secretary-Treasurer.

February 9th, 1922,
Montreal.

The Dominion Bank

NOTICE is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1922, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the first day of April, 1922, to shareholders of record of the 20th March, 1922.

By Order of the Board.

C. A. Bogert,
General Manager.

Toronto 17th February, 1922.

The Sherwin-Williams Company Of Canada Limited

Notice is hereby given that the Forty-third quarterly dividend of One and Three-quarters per cent. (1¾%) being at the rate of Seven Per Cent. (7%) per annum, for quarter ending February 28th, 1922, upon the Preferred Stock of the Company, has been declared, payable to Shareholders of record the fifteenth day of March, 1922, and that cheques will be mailed on the 31st of March next.

Books not closed.

By order of the Board.

J. H. GORDON,
Secretary-Treasurer.

Montreal,
March 1st, 1922.

The Sherwin-Williams Company Of Canada Limited

Notice is hereby given that the Sixth Quarterly Dividend of One and One-half Per Cent. (1½%), for quarter ending February 28th, 1922, upon the Common Stock of the Company, has been declared, payable to Shareholders of record the fifteenth day of March, 1922, and that cheques for same will be duly mailed on the 31st of March next.

Books not closed.

By order of the Board.

J. H. GORDON,
Secretary-Treasurer.

Montreal
March 1st, 1922.

DOMINION GLASS COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of one and one-half per cent. (1½%) has been declared on the COMMON STOCK of Dominion Glass Company, Limited, for the quarter ending the 31st day of March, 1922, payable Saturday, the 1st day of April, 1922, to Shareholders of record at the close of business Wednesday, the 15th day of March, 1922.

By Order of the Board.

MERVYN OFFER,
Comptroller and Secretary.

Montreal, 16th February, 1922.

DOMINION TEXTILE COMPANY LIMITED.

NOTICE OF DIVIDEND

A dividend of three per cent. (3%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st March, 1922, payable April 1st, to shareholders of record 15th March, 1922.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer,

Montreal, 2nd March, 1922.